Pioneers, Inc.

Consolidated Financial Statements

For The Years Ended September 30, 2021 and 2020

Batts Morrison Wales & Lee
Certified Public Accountants

REPORT OF INDEPENDENT AUDITOR

The Board of Directors
Pioneers, Inc.
Orlando, Florida

We have audited the accompanying consolidated financial statements of Pioneers, Inc. ("the Organization"), which consist of the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities and cash flows 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 the Organization'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 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 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 Pioneers, Inc. as of September 30, 2021 and 2020, the changes in its consolidated 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.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
January 27, 2022

PIONEERS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	September 30, 2021	September 30, 2020
ASSETS		
Cash and cash equivalents (Note B)	$ 6,246,095	$ 7,864,901
Investments (Note E)	42,025,035	22,705,553
Other assets	965,851	942,304
Land, buildings, and equipment, net (Note F)	17,605,767	17,327,967
Total assets	**$ 66,842,748**	**$ 48,840,725**

LIABILITIES AND NET ASSETS

	2021	2020
LIABILITIES		
Accounts payable and accrued expenses	$ 3,548,998	$ 2,521,217
Long-term debt (Note G)	—	2,447,465
Total liabilities	**3,548,998**	**4,968,682**
NET ASSETS		
Without donor restrictions (Note H)	56,486,271	38,480,969
With donor restrictions (Note I)	6,807,479	5,391,074
Total net assets	**63,293,750**	**43,872,043**
Total liabilities and net assets	**$ 66,842,748**	**$ 48,840,725**

PIONEERS, INC.

CONSOLIDATED 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				
Contributions without donor restrictions	$ 67,164,686	$ —	$ 67,164,686	$ 64,259,690
Contributions with donor restrictions	—	4,581,899	4,581,899	3,413,020
Grant revenue from forgiveness of Paycheck Protection Program loan	2,447,465	—	2,447,465	—
Grant revenue with donor restrictions	—	275,000	275,000	1,004,318
Other income	1,116,674	—	1,116,674	754,481
Campground revenue	—	—	—	726,328
Interest and dividend income	529,911	—	529,911	515,587
Gain on sale of property	11,015,770	—	11,015,770	—
Net gain on investments	4,234,855	—	4,234,855	1,327,216
Net assets released from restrictions	3,440,494	(3,440,494)	—	—
Total public support and revenue and net assets released from restrictions	**89,949,855**	**1,416,405**	**91,366,260**	**72,000,640**
EXPENSES				
Program activities				
Evangelism and church planting	51,936,721	—	51,936,721	48,409,266
Ministry to constituency	3,803,461	—	3,803,461	3,513,668
Training	2,092,673	—	2,092,673	2,026,838
Membership development	1,959,222	—	1,959,222	1,838,384
Short-term overseas ministries	264,873	—	264,873	119,285
Total program activities	60,056,950	—	60,056,950	55,907,441
Supporting activities				
Management and general	7,901,790	—	7,901,790	7,007,820
Fundraising - general	2,980,356	—	2,980,356	2,736,155
Fundraising - appointees	989,103	—	989,103	771,362
Campground expenses	16,354	—	16,354	769,271
Total supporting activities	11,887,603	—	11,887,603	11,284,608
Total expenses	**71,944,553**	**—**	**71,944,553**	**67,192,049**
Change in net assets without donor restrictions	**18,005,302**	**—**	**18,005,302**	**4,093,121**
Change in net assets with donor restrictions	**—**	**1,416,405**	**1,416,405**	**715,470**
CHANGE IN NET ASSETS	**18,005,302**	**1,416,405**	**19,421,707**	**4,808,591**
NET ASSETS - Beginning of year	**38,480,969**	**5,391,074**	**43,872,043**	**39,063,452**
NET ASSETS - End of year	**$ 56,486,271**	**$ 6,807,479**	**$ 63,293,750**	**$ 43,872,043**

PIONEERS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Years Ended September 30, 2021	2020
OPERATING CASH FLOWS		
Cash received from contributors and grantors	$ 72,021,585	$ 68,677,028
Other revenue received	1,116,674	1,480,809
Investment income received	529,911	515,587
Cash paid for operating activities and costs	(70,005,077)	(65,376,934)
Net operating cash flows	**3,663,093**	**5,296,490**
INVESTING CASH FLOWS		
Proceeds from sale of property, net of settlement charges	11,737,300	—
Purchases of investments	(16,262,273)	(6,055,068)
Proceeds from sales of investments	1,177,646	7,592,500
Purchases of and improvements to land, buildings, and equipment	(1,934,572)	(490,464)
Net investing cash flows	**(5,281,899)**	**1,046,968**
FINANCING CASH FLOWS		
Borrowings	—	9,922,465
Repayments	—	(9,375,000)
Net financing cash flows	**—**	**547,465**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(1,618,806)**	**6,890,923**
CASH AND CASH EQUIVALENTS - Beginning of year	**7,864,901**	**973,978**
CASH AND CASH EQUIVALENTS - End of year	**$ 6,246,095**	**$ 7,864,901**
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	$ 19,421,707	$ 4,808,591
Adjustments to reconcile change in net assets to net operating cash flows		
Depreciation and amortization	942,874	1,045,407
Gain on sale of property (Note M)	(11,015,770)	—
Net gain on investments	(4,234,855)	(1,327,216)
Conversion of note payable (Note G)	(2,447,465)	—
Change in other assets	(31,179)	(5,132)
Change in accounts payable and accrued expenses	1,027,781	774,840
Net operating cash flows	**$ 3,663,093**	**$ 5,296,490**

SUPPLEMENTAL DISCLOSURES

$2,447,465 of principal reductions of long-term debt are included in "grant revenue from forgiveness of Paycheck Protection Program loan" in the accompanying consolidated statement of activities for the year ended September 30, 2021. See Note G.

$1,395,000 of noncash property improvements are included within "gain on sale of property" in the accompanying consolidated statement of activities for the year ended September 30, 2021. See Note M.

NOTE A – NATURE OF ACTIVITIES

Pioneers, Inc. ("the Organization") is a Virginia not-for-profit corporation which is authorized to conduct activities in the state of Florida. The purpose of the Organization, a Christian ministry, is to evangelize and plant churches among the major blocs of unreached people worldwide. The Organization is headquartered in Orlando, Florida. The Organization also operated a campground at its headquarters location until April 2020, when the franchise agreement with Kampgrounds of America was terminated. In addition, the Organization operates a retail business known as "Latitudes," which sells crafts purchased from businesses that have been established alongside church planting efforts in foreign countries. The Organization also sells books and media items.

In conformity with accounting principles generally accepted in the United States of America ("GAAP"), the consolidated financial statements of the Organization include the accounts of the following organizations:

- Arab World Ministries, Inc. ("AWM"), a not-for-profit New Jersey corporation, the principal activity of which is converting people to the Lord Jesus Christ and discipling them into spiritual maturity through the establishment of new churches. AWM ceded control of its governing board to the Organization.

- Lake Whip 1 LLC ("Lake Whip"), a Florida limited liability company organized to own certain real estate. The Organization is the sole member of Lake Whip.

- William Carey LLC ("William Carey"), a Florida limited liability company organized for general business purposes. The Organization is the sole member of William Carey.

- Lee Bruckner LLC ("Lee Bruckner"), a Florida limited liability company organized to own certain real estate. William Carey is the sole member of Lee Bruckner.

- Gil McArthur LLC ("Gil McArthur"), a Florida limited liability company organized to own certain real estate. William Carey is the sole member of Gil McArthur.

- Florence Young LLC ("Florence Young"), a Florida limited liability company organized to own certain real estate. William Carey is the sole member of Florence Young.

- Mission Pointe Owners' Association, Inc. ("Mission Pointe"), a not-for-profit Florida corporation organized to provide ownership, operation, maintenance, and preservation of certain property. The Organization has the authority to appoint a majority of Mission Pointe's Board of Directors.

- The Organization has the authority to appoint or elect the governing bodies of two other entities. These separate legal entities are utilized to carry on specific work in various countries where the use of a separate entity provides practical or legal advantages. For security purposes, the names of the entities are not disclosed in these notes. In conformity with GAAP, the financial statements of these organizations are consolidated with the Organization's consolidated financial statements.

All significant interorganization transactions and balances have been eliminated in consolidation.

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 restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as "net assets released from restrictions."

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

All contributions are received as donations to the Organization 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 the Organization. The Organization accounts for such contributions as board designated until they are expended for appropriate ministry purposes.

Assessments

The Board of Directors has established a policy that contributions for the support of ministry activities of certain missionaries are assessed an allocation of up to 10% to be used to maintain the U.S. Mobilization Base and are assessed an allocation of up to 2% to support international leadership.

Cash and cash equivalents

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

Investments

Investments include marketable equity and debt securities and are carried at estimated fair value.

Land, buildings, and equipment

Land, buildings, 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.

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 (See Note H). Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

Income taxes

The Organization and AWM are exempt from federal income tax as organizations described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to state law. The Organization and AWM are further classified as public charities and not private foundations for federal tax purposes. Mission Pointe is considered a taxable corporation for federal and state income tax purposes, subject to certain special rules applicable to property owners' associations. Mission Pointe has not incurred income taxes related to its activities. Lake Whip, William Carey, Lee Bruckner, Gil McArthur, Florence Young, and the Organization's other affiliates are treated as disregarded entities for federal tax purposes. The Organization engages in certain unrelated business activities. Income taxes (if any) are recognized as expenses when the related income is generated. As a result, no income tax provision or liability has been provided for in the accompanying consolidated financial statements.

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 and the useful lives of buildings and equipment. Actual results could differ from the estimates.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting pronouncement

Financial Accounting Standards Board Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) is effective for the Organization's September 30, 2021 consolidated financial statements. The ASU generally applies to organizations that enter into contracts with customers to transfer goods or services and establishes a performance obligation to revenue recognition. The adoption of the ASU had no effect on the Organization's consolidated net assets as of October 1, 2019, or the consolidated change in net assets for the years ended September 30, 2021 and 2020.

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. Such actions include availing the Organization of relief measures available under federal law. 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.

Reclassifications

Certain amounts included in the September 30, 2020 consolidated financial statements have been reclassified to conform to classifications adopted during the year ended September 30, 2021. The reclassifications had no material effect on the accompanying consolidated financial statements.

Subsequent events

The Organization has evaluated for possible financial reporting and disclosure subsequent events through January 27, 2022, 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 consolidated statements of financial position are as follows:

	September 30,	
	2021	2020
Cash and cash equivalents	$ 6,246,095	$ 7,864,901
Investments	42,025,035	22,705,553
Total financial assets available	48,271,130	30,570,454
Less:		
Amounts unavailable due to donor restrictions	(6,807,479)	(5,391,074)
Net financial assets available within one year	$ 41,463,651	$ 25,179,380

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. The Organization has certain 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, the Organization 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 September 30, 2021 and 2020, and are excluded from net financial assets available to meet general expenditures within one year. The Organization's board designated funds held in missionary accounts are available for general expenditure within the next year. Management believes the Organization 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. The Organization also has a revolving line of credit as an additional source of liquidity (see Note G).

NOTE D – CONCENTRATIONS

The Organization maintains its cash and cash equivalents in deposit accounts and money market funds 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.

The Organization's investments are held by one custodian.

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consisted of the following:

	September 30,	
	2021	2020
Exchange-traded funds – equity indexes	$ 25,544,956	$ 14,122,972
Exchange-traded funds – bond indexes	16,480,079	8,582,581
Total investments	$ 42,025,035	$ 22,705,553

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. 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 Organization's investments held as of September 30, 2021 and 2020, are valued on a recurring basis using Level 1 inputs.

NOTE F – LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consisted of the following:

Category	September 30, 2021	September 30, 2020
Land	$ 3,405,167	$ 3,729,738
Land improvements	810,271	1,811,405
Building and improvements	15,261,370	15,396,704
Furniture and equipment	3,168,485	4,294,575
Construction in progress, net	1,753,565	669,040
Total property and equipment	24,398,858	25,901,462
Less: Accumulated depreciation	(6,793,091)	(8,573,495)
Land, buildings, and equipment, net	$ 17,605,767	$ 17,327,967

For the years ended September 30, 2021 and 2020, depreciation expense was approximately $935,000 and $1,040,000, respectively.

The Organization has entered into various lease agreements with unrelated parties to lease certain property for commercial business ventures to be operated by the unrelated parties (see Note L). As of September 30, 2021 and 2020, land with a carrying value of approximately $1,576,000 and $73,000, respectively, was subject to such lease agreements.

NOTE G – LONG-TERM DEBT

During the year ended September 30, 2020, the Organization obtained a Paycheck Protection Program note payable ("PPP loan") of $2,447,465. The PPP loan was unsecured and was 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 of time. The PPP loan was forgiven entirely by the Small Business Administration during the year ended September 30, 2021 based on the nature of the Organization's expenses during an applicable period. Accordingly, the Organization recognized grant revenue of $2,447,465 which is included in the consolidated statement of activities as "grant revenue from forgiveness of Paycheck Protection Program loan" for the year ended September 30, 2021.

The Organization has a revolving line of credit agreement ("the line of credit") with a bank with an available balance of up to $4,500,000. Interest on any outstanding balance is payable monthly at the one-month LIBOR plus 1.00% per annum (1.08% and 1.18% as of September 30, 2021 and 2020, respectively). The line of credit also contains various financial and other covenants, the most restrictive of which requires the Organization to maintain a certain minimum amount of net assets. The line of credit is secured by a certain investment account. As of September 30, 2021 and 2020, there was no balance outstanding on the line of credit. Subsequent to September 30, 2021, the revolving line of credit agreement was renewed with an available balance of up to $3,000,000. According to the renewal terms, interest on any outstanding balance is payable monthly at the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York plus 1.10% per annum. The line of credit is payable in full on August 31, 2022.

NOTE H – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consisted of the following:

	September 30,	
	2021	2020
Board designated for missionary accounts	$ 27,095,456	$ 22,866,082
Undesignated	29,390,815	15,614,887
Total net assets without donor restrictions	$ 56,486,271	$ 38,480,969

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were for the following purposes:

	September 30,	
	2021	2020
Projects	$ 6,620,584	$ 5,260,649
Various missionary-related activities	186,895	130,425
Total net assets with donor restrictions	$ 6,807,479	$ 5,391,074

Net assets released from restrictions amounted to $3,440,494 and $3,701,868 for the years ended September 30, 2021 and 2020, respectively.

NOTE J – SELF-FUNDED MEDICAL PROGRAMS

The Organization maintains self-funded medical and prescription drug benefit plans (“the self-funded medical programs”) for eligible employees and their eligible dependents. The Organization has contracted with a third party administrator to process claims. The Organization provides coverage for each employee up to the first $500,000 of claims incurred in a calendar year (up to $700,000 of claims incurred as of September 30, 2020). The Organization has stop-loss insurance coverage for claims incurred which exceed $500,000 per individual per event ($700,000 per individual per event as of September 30, 2020), with an unlimited individual lifetime stop loss payment amount. As of September 30, 2021 and 2020, the Organization has recorded an actuarially-calculated estimated liability of $970,000 and $505,000, respectively, related to the self-funded medical programs. Such amounts are included in “accounts payable and accrued expenses” in the accompanying consolidated statements of financial position.

NOTE K – EXPENSE ALLOCATIONS

Functional and natural expenses for the Organization for the year ended September 30, 2021 are as follows:

	Program activities					
	Evangelism and church planting	Ministry to constituency	Training	Membership development	Short-term overseas missions	Total program activities
Personnel costs	$ 39,852,702	$ 2,456,320	$ 1,536,603	$ 1,782,244	$ —	$ 45,627,869
General and office	1,981,915	734,159	217,039	88,858	21,460	3,043,431
Grants	5,135,618	7,616	73,918	1,249	—	5,218,401
Travel	3,137,081	270,935	184,714	45,512	230,834	3,869,076
Training and education	1,818,066	128,440	77,603	30,756	12,579	2,067,444
Depreciation and amortization	11,339	205,991	2,796	10,603	—	230,729
Total	**$ 51,936,721**	**$ 3,803,461**	**$ 2,092,673**	**$ 1,959,222**	**$ 264,873**	**$ 60,056,950**

		Supporting activities					
	Total program activities	Management and general	Fundraising - general	Fundraising - appointees	Campground expenses	Total supporting activities	Total expenses
Personnel costs	$ 45,627,869	$ 5,024,992	$ 2,275,614	$ 625,326	$ —	$ 7,925,932	$ 53,553,801
General and office	3,043,431	2,065,113	300,626	59,026	16,354	2,441,119	5,484,550
Grants	5,218,401	7,556	162,232	—	—	169,788	5,388,189
Travel	3,869,076	34,649	135,579	212,072	—	382,300	4,251,376
Training and education	2,067,444	66,178	97,462	92,679	—	256,319	2,323,763
Depreciation and amortization	230,729	703,302	8,843	—	—	712,145	942,874
Total	**$ 60,056,950**	**$ 7,901,790**	**$ 2,980,356**	**$ 989,103**	**$ 16,354**	**$ 11,887,603**	**$ 71,944,553**

Functional and natural expenses for the Organization for the year ended September 30, 2020 are as follows:

	Program activities					
	Evangelism and church planting	Ministry to constituency	Training	Membership development	Short-term overseas missions	Total program activities
Personnel costs	$ 37,421,480	$ 2,286,928	$ 1,394,298	$ 1,583,992	$ 19,507	$ 42,706,205
General and office	1,887,024	581,700	268,706	108,182	5,909	2,851,521
Grants	4,502,770	2,988	55,341	387	—	4,561,486
Travel	2,891,054	312,072	211,972	99,295	74,479	3,588,872
Training and education	1,700,630	124,320	94,614	36,849	19,390	1,975,803
Depreciation and amortization	6,308	205,660	1,907	9,679	—	223,554
Total	**$ 48,409,266**	**$ 3,513,668**	**$ 2,026,838**	**$ 1,838,384**	**$ 119,285**	**$ 55,907,441**

		Supporting activities					
	Total program activities	Management and general	Fundraising - general	Fundraising - appointees	Campground expenses	Total supporting activities	Total expenses
Personnel costs	$ 42,706,205	$ 4,066,420	$ 2,003,988	$ 431,007	$ 301,113	$ 6,802,528	$ 49,508,733
General and office	2,851,521	1,998,596	283,108	38,662	346,206	2,666,572	5,518,093
Grants	4,561,486	2,655	168,757	—	—	171,412	4,732,898
Travel	3,588,872	122,480	150,195	144,787	15,601	433,063	4,021,935
Training and education	1,975,803	48,825	123,055	156,906	60,394	389,180	2,364,983
Depreciation and amortization	223,554	768,844	7,052	—	45,957	821,853	1,045,407
Total	**$ 55,907,441**	**$ 7,007,820**	**$ 2,736,155**	**$ 771,362**	**$ 769,271**	**$ 11,284,608**	**$ 67,192,049**

The above schedules 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.

NOTE L – PROPERTY DEVELOPMENT

Lake Whip

During March 2017, the Organization granted title to certain undeveloped property ("the Hotel Property") to Lake Whip. In connection therewith, Lake Whip entered into a Ground Lease ("the Lease") with Lake Nona Hotel, LLC ("Lake Nona"), an unrelated third party. Lake Nona constructed a hotel on the Hotel Property which was completed during the year ended September 30, 2019. Pursuant to the Lease, Lake Nona will pay annual rent of $50,000 to Lake Whip. The Lease has an initial term of fifty years but may be canceled sooner. In addition to the fixed annual rent, Lake Nona is also required to pay an amount equal to 10% of Lake Nona's annual net profit (as the term "net profit" is defined in the Lease), if any, to Lake Whip, as well as certain common area maintenance, property taxes, and other amounts. Upon expiration or earlier termination of the Lease, the Hotel Property, with improvements, will no longer be subject to the Lease. No amounts have been recognized in the accompanying consolidated financial statements related to Lake Whip's future interest in the improvements to the Hotel Property due to significant uncertainty regarding the timing of the Lease termination and the future value (and recoverability) of such improvements.

Gil McArthur

During June 2021, Gil McArthur entered into a ground lease ("Lease 1") with Olive Garden Holdings, LLC ("Olive Garden") for the lease of a certain undeveloped lot on which Olive Garden will construct and operate an Olive Garden restaurant. Lease 1 has an initial term of ten years which begins on the earlier of the date the Olive Garden restaurant is opened to the public for business or 360 days from the date of possession, as that term is defined in Lease 1. Olive Garden will pay annual rent of $180,000 in monthly installments of $15,000 for years one through five (increasing to annual rent of $189,000 to be paid in monthly installments of $15,750 in years six through ten). Olive Garden has the right and option to extend the lease in six additional five-year increments for a full lease duration of up to 40 years, with an increase in annual rent for each five year increment as further described in Lease 1. Olive Garden is responsible for certain common area maintenance, property taxes, and other amounts as indicated per the terms of Lease 1. Lease 1 also grants an easement to Olive Garden for the limited use of, and to make improvements to, a certain additional lot of land held by Gil McArthur that is contiguous to the lot under lease ("Lot 1N"). Gil McArthur is required by Lease 1 to reimburse Olive Garden for costs up to but not exceeding approximately $806,000 related to certain property improvements to be made to the lot under lease and Lot 1N. The reimbursement amount may be reduced by transportation impact fee credits as allowed by the City of Orlando to be applied to the transportation impact fees payable by Olive Garden, in an amount not to exceed approximately $139,000. Upon expiration or non-renewal of Lease 1, possession of the lot, and title to the improvements will revert to Gil McArthur. No amounts have been recognized in the accompanying consolidated financial statements related to Gil McArthur's future interest in the improvements to the property due to significant uncertainty regarding the timing of Lease 1 termination and the future value (and recoverability) of such improvements.

Florence Young

During June 2021, Florence Young entered into a ground lease ("Lease 2") with Rare Hospitality International, Inc. ("Longhorn") for the lease of a certain undeveloped lot on which Longhorn will construct and operate a Longhorn restaurant. Lease 2 has an initial term of ten years which begins on the earlier of the date the Longhorn restaurant is opened to the public for business or 360 days from the date of possession, as that term is defined in Lease 2. Longhorn will pay annual rent of $180,000 in monthly installments of $15,000 for years one through five (increasing to annual rent of $198,000 to be paid in monthly installments of $16,500 in years six through ten). Longhorn has the right and option to extend the lease in six additional five-year increments for a full lease duration of up to 40 years, with an increase in annual rent for each five year increment as further described in Lease 2. Longhorn is responsible for certain common area maintenance, property taxes, and other amounts as indicated per the terms of Lease 2. Lease 2 also grants an easement to Longhorn for the limited use of Lot 1N. Florence Young is required by Lease 2 to reimburse Longhorn for costs up to but not exceeding approximately $412,000 related to certain property improvements to be made to the lot under lease.

NOTE L – PROPERTY DEVELOPMENT (Continued)

Florence Young (Continued)
The reimbursement amount may be reduced by transportation impact fee credits as allowed by the City of Orlando to be applied to the transportation impact fees payable by Longhorn, in an amount not to exceed approximately $107,000. Upon expiration or non-renewal of Lease 2, possession of the lot, and title to the improvements will revert to Florence Young. No amounts have been recognized in the accompanying consolidated financial statements related to Florence Young's future interest in the improvements to the property due to significant uncertainty regarding the timing of Lease 2 termination and the future value (and recoverability) of such improvements.

Approximate future minimum lease payments expected to be received under the initial terms of Lease 1 and Lease 2 as described above, are as follows:

Year Ending September 30,	
2022	$ —
2023	240,000
2024	360,000
2025	360,000
2026	360,000
Thereafter	2,415,000
Total	$ 3,735,000

NOTE M – PROPERTY SALE AND DEVELOPMENT

During a prior year, the Organization entered into a Purchase and Sale Agreement ("the PSA") with an unrelated third party ("the Buyer"), pursuant to which the Buyer purchased certain of the Organization's real property ("the Property"). The sale was finalized in November 2020. Pursuant to the PSA, the sales price of the Property was $12,100,000. The Buyer agreed, at its sole expense, to make certain improvements to and for the benefit of other property owned by the Organization ("the Retail Parcels") that is contiguous to the Property. The improvements solely benefit the Organization and would not otherwise have been required to be installed or constructed by the Buyer. The Organization plans to utilize the property improvements made by the Buyer in conjunction with the Organization's overall improvement of the Retail Parcels.

In connection with the transaction described in the preceding paragraph, the Organization recognized total cash consideration of $12,100,000 (offset by closing costs of approximately $363,000), and recognized $1,395,000 of property improvements which inured to the benefit of the Organization as the property improvements were installed or constructed by the Buyer during the year ended September 30, 2021. The estimated fair value of such property improvements were based on an analysis prepared by an independent real estate appraiser. The net book value of the Property at the time of the closing of the transaction was approximately $2,116,000. Accordingly, the Organization recognized a gain on the sale of the property of $11,015,770 during the year ended September 30, 2021 which is included within the accompanying consolidated statement of activities as "gain on sale of property." During the year ended September 30, 2020, the Organization also incurred certain other expenses associated with the sale, including legal and professional fees, which were expensed as incurred and are included in the respective categories of expenses in the accompanying consolidated statement of activities.

NOTE M – PROPERTY SALE AND DEVELOPMENT (Continued)

Following is a recap (in approximate amounts) of the amount recognized as "gain on sale of property" for the year ended September 30, 2021:

Cash consideration	$ 12,100,000
Property improvements inuring to the Organization's benefit	1,395,000
Less: Closing costs	(363,000)
Net cash consideration	13,132,000
Less: Net book value of property	(2,116,000)
Gain on sale of property	$ 11,016,000