

OPEN AIR CAMPAIGNERS, U.S., INC.
DECEMBER 31, 2021

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<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7



WENTZEL and COMPANY, PC

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Open Air Campaigners, U.S., Inc.**

Opinion

We have audited the accompanying financial statements of Open Air Campaigners, U.S., Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Open Air Campaigners U.S., Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Open Air Campaigners, U.S., Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Open Air Campaigners, U.S., Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- **Exercise professional judgment and maintain professional skepticism throughout the audit.**
- **Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.**
- **Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Open Air Campaigners, U.S., Inc.'s internal control. Accordingly, no such opinion is expressed.**
- **Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.**
- **Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Open Air Campaigners, U.S., Inc.'s ability to continue as a going concern for a reasonable period of time.**

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Wentzel and Company, PC

Fleetwood, Pennsylvania
October 31, 2022

**OPEN AIR CAMPAIGNERS, U.S., INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021**

ASSETS:

Cash and Cash Equivalents	\$ 542,448
Investments	291,867
Accounts Receivable	788
Inventory	31,280
Other Asset	125,000
Property and Equipment, Net	<u>74,300</u>

TOTAL ASSETS **\$ 1,065,683**

LIABILITIES AND NET ASSETS:

LIABILITIES:

Actuarial Liability for Annuity Payable	\$ <u>26,273</u>
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TOTAL LIABILITIES **26,273**

NET ASSETS:

Without Donor Restrictions	914,410
With Donor Restrictions	<u>125,000</u>

TOTAL NET ASSETS **1,039,410**

TOTAL LIABILITIES AND NET ASSETS **\$ 1,065,683**

See notes to financial statements.

OPEN AIR CAMPAIGNERS, U.S., INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

SUPPORT AND REVENUE:	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Contributions	\$ 1,526,912	\$	\$ 1,526,912
Income, Supplies	1,975		1,975
Interest	61		61
Investment Return, net	<u>19,491</u>		<u>19,491</u>
TOTAL SUPPORT AND REVENUE	<u>1,548,439</u>	<u>0</u>	<u>1,548,439</u>
 EXPENSES:			
Program	1,294,630		1,294,630
Administration and General	196,499		196,499
Fundraising	<u>71,850</u>		<u>71,850</u>
TOTAL EXPENSES	<u>1,562,979</u>	<u>0</u>	<u>1,562,979</u>
 CHANGE IN NET ASSETS FOR THE YEAR	 (14,540)	 0	 (14,540)
NET ASSETS, BEGINNING OF YEAR	<u>928,950</u>	<u>125,000</u>	<u>1,053,950</u>
NET ASSETS, END OF YEAR	<u>\$ 914,410</u>	<u>\$ 125,000</u>	<u>\$ 1,039,410</u>

See notes to financial statements.

**OPEN AIR CAMPAIGNERS, U.S., INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Change in Net Assets	\$ (14,540)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:	
Depreciation	19,228
(Gains) Losses on Investment Transactions	(16,798)
(Increase) Decrease in Accounts Receivable	(113)
(Increase) Decrease in Inventory	1,278
Increase (Decrease) in Annuity Payable	<u>11,515</u>
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>570</u>

CASH PROVIDED (USED) BY INVESTING ACTIVITIES:

Purchases of Property and Equipment	(63,088)
(Purchases)/Sales of Investments	<u>(10,245)</u>
TOTAL CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(73,333)</u>

NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(72,763)
CASH, BEGINNING OF THE YEAR	<u>615,211</u>
CASH, END OF THE YEAR	<u>\$ 542,448</u>

See notes to financial statements.

**OPEN AIR CAMPAIGNERS, U.S., INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

ACCOUNT:	<u>Program</u>	Administration and <u>General</u>	<u>Fundraising</u>	<u>TOTAL EXPENSES</u>
Salaries	\$ 967,498	\$ 113,823	\$ 56,912	\$ 1,138,233
Payroll Taxes	63,548	7,476	3,738	74,762
Affiliation Expenses	2,891	2,891	2,477	8,259
Annuity		7,718		7,718
Depreciation	14,421	3,846	961	19,228
Evangelism Supplies	127,497			127,497
Insurance	4,454	4,008	445	8,907
Meetings	85	128		213
Office Supplies	29,285	10,459	2,092	41,836
Postage	1,937	2,422	484	4,843
Professional Services		8,000		8,000
Promotion	1,393	696	697	2,786
Rent	16,356	3,067	1,022	20,445
Staff Conferences	18,593	27,889		46,482
Telephone	3,329	2,663	666	6,658
Travel	43,343	1,413	2,356	47,112
TOTAL EXPENSES	\$ <u>1,294,630</u>	\$ <u>196,499</u>	\$ <u>71,850</u>	\$ <u>1,562,979</u>

See notes to financial statements.

**OPEN AIR CAMPAIGNERS, U.S., INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Organization and Nature of Activities

Open Air Campaigners, U.S., Inc. (OAC) is a nonprofit corporation dedicated to evangelism by proclaiming the Gospel in the United States of America and abroad. OAC also assists and equips local churches in effective open-air outreaches, working through field offices located throughout the United States and abroad.

2. Summary of Significant Accounting Policies

The significant accounting policies of Open Air Campaigners, U.S., Inc. are as follows:

Basis of Accounting

The financial statements of Open Air Campaigners, U.S., Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958. Under ASC No. 958, Open Air Campaigners, U.S., Inc. is required to report information regarding its financial position and activities according to two classes of net assets, as follows:

Without donor restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions.

With donor restrictions – Net assets that are subject to donor-imposed restrictions that will be satisfied by the passage of time or by fulfilling a specific purpose.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with initial maturities of less than 90 days.

OPEN AIR CAMPAIGNERS, U.S., INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. Summary of Significant Accounting Policies, (continued)

Donated Materials and Services

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt, when reliable estimates of the fair value of such items are available. Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets or would have been purchased if not provided by donation, require special skills, and are provided by individuals possessing such specialized skills. OAC relies on the services of volunteers; however, the value of these services has not been reflected in the statement of activities since it does not meet the aforementioned recognition requirements.

Expense Allocation

Administration and general expenses include those expenses for supporting activities of the organization that are not directly identifiable with one or more program or fundraising activities. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Those expenses include salaries, payroll taxes, affiliation, depreciation, insurance, occupancy, office supplies, postage, promotion, utilities, and travel. Salaries and payroll taxes are allocated based on estimates of time and effort; occupancy and utilities are allocated based on estimates of percentage of time the building is utilized; depreciation, office supplies, postage, printing and website are allocated based on estimates of usage.

Fair Value Measurements

Open Air Campaigners, U.S., Inc. adopted the provisions of ASC No. 820, Fair Value Measurements and Disclosures (“ASC 820”). ASC 820 does not require additional fair value measurements, but defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements.

Income Tax Status

Open Air Campaigners, U.S., Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization’s tax-exempt purpose is subject to taxation as unrelated business income. In addition, OAC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as a public charity under Section 509(a)(1).

OPEN AIR CAMPAIGNERS, U.S., INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. Summary of Significant Accounting Policies, (continued)

Income Tax Status, continued

ASC No. 740, Income Taxes (“ASC 740”) clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements, and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. There were no uncertain income tax positions identified that would have a material effect on the financial statements for the year ended December 31, 2021.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The organization’s capitalization policy is to capitalize property and equipment when the cost exceeds \$500. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. When a donor 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 statement of activities as net assets released from restrictions.

Unconditional contributions are recognized as revenue when the contribution is received. Conditional contributions are recorded as refundable advances until the conditions are substantially met. When the conditions are substantially met, the contribution becomes unconditional and is recognized as revenue. Revenues from contracts or grants with governmental or nongovernmental funding agencies are considered conditional contributions. Conditions are met when services have been provided or as costs are incurred, as appropriate to a specific grant or contract.

OPEN AIR CAMPAIGNERS, U.S., INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. Summary of Significant Accounting Policies, (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Cash and Cash Equivalents

At December 31, 2021 cash and cash equivalents consist of:

Petty Cash	\$ 650
Checking Accounts	376,990
Money Market Funds	<u>164,808</u>
Total Cash and Cash Equivalents	\$ <u>542,448</u>

4. Investments

At December 31, 2021 investment values consist of:

	<u>Cost</u>	<u>Market</u>
Treasury Obligations –		
Money Market Funds	\$ 10,933	\$ 10,933
Equities – Common Stocks	89,947	112,501
Mutual Funds	51,530	53,787
Exchange Traded Funds	<u>113,424</u>	<u>114,646</u>
Total Investments	\$ <u>265,834</u>	\$ <u>291,867</u>

OPEN AIR CAMPAIGNERS, U.S., INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

5. Liquidity and Availability of Financial Assets

The below reflects Open Air Campaigners, U.S., Inc.'s financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year-end:	
Cash and cash equivalents	\$ 542,448
Investments	291,867
Accounts receivable	<u>788</u>
Total financial assets	\$ 835,103
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with time or purpose restrictions	<u>(125,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>710,103</u>

As part of its liquidity management, OAC has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. OAC sets a goal of having financial assets on hand to meet 30 days of normal operating expenses, which are, on average, around \$ 120,000.

6. Inventory

Inventory consists of materials held for use by evangelists and others in the course of their ministries. They are valued at the lower of cost or market on an average cost basis.

7. Other Asset

In September, 2015 a donor contributed property to OAC, consisting of 18 acres of land and a home located in Mountain Grove, Missouri. The property is owned by OAC with the stipulation that the donor maintains the right of possession and occupancy of the property for the remainder of his natural life. The property is designated as net assets with donor restrictions until the right of possession and occupancy is fully relinquished to OAC.

The asset is recorded at fair value, which is determined based on realtor listings of similar properties in the same area.

**OPEN AIR CAMPAIGNERS, U.S., INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. Property and Equipment

Property and Equipment, at December 31, 2021 consists of:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles	\$ 293,757	\$ 224,282	\$ 69,475
Equipment	<u>43,757</u>	<u>38,932</u>	<u>4,825</u>
Total	\$ <u>337,514</u>	\$ <u>263,214</u>	\$ <u>74,300</u>

Depreciation expense for the year was \$ 19,228.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions are subject to the following purpose or time restrictions:

Subject to time restrictions:

Property occupied by the donor for the remainder of his life \$ 125,000

10. Transactions with Related Parties

Certain members of the board of directors are also officers and missionaries of OAC. As is generally the case with deputized support fund raising systems, missionaries raise funds for their own support and for a significant portion of the ministry expenses which they incur, so there is no conflict of interest in setting salaries. Expenses related to their ministries are reimbursed under an accountable reimbursable expense policy and are recorded in appropriate expense categories in the statement of functional expenses

Members of the board of directors serve without pay for service on the board.

OPEN AIR CAMPAIGNERS, U.S., INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

11. Concentrations

Deposits with Financial Institutions

Open Air Campaigners, U.S., Inc. maintains its cash balances in financial institutions and occasionally the balances aggregate to amounts which exceed the federally insured limits. Accordingly, those balances would have been at risk of loss in the event of nonperformance by the institutions. The subject financial institutions are banks and management of OAC does not anticipate any nonperformance.

Sources of Funding

Contributions and grants are received from many individuals, foundations and church organizations throughout the world. During the current fiscal year, six contributors represented approximately 11.6% of total contributions.

12. Subsequent Events

Evaluation of Subsequent Events

Subsequent events have been evaluated through October 31, 2022. This is the date these financial statements were available to be issued.

13. Fair Value Measurements

Open Air Campaigners, U.S., Inc. adopted ASC 820 as discussed in Note 2. This standard defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based upon the organizations own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

OPEN AIR CAMPAIGNERS, U.S., INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

13. Fair Value Measurements, continued

The following table presents information as of December 31, 2021, about the organization's financial assets and liabilities that are measured at fair value on a recurring basis, according to the valuation techniques used to determine their fair values.

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Investments:				
Money Market Funds	\$ 10,933	\$ 0	\$ 0	\$ 10,933
Equities:				
US Common Stocks	106,124	0	0	106,124
Foreign Common Stocks	6,377	0	0	6,377
Mutual Funds:				
Bonds	42,388	0	0	42,388
Equities	11,399	0	0	11,399
Exchange-Traded Funds:				
Bonds	62,495	0	0	62,495
Commodities	14,827	0	0	14,827
World Equities	9,106	0	0	9,106
US Equities	28,218	0	0	28,218
Other Asset	<u>0</u>	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total Assets at Fair Value	\$ <u>291,867</u>	\$ <u>125,000</u>	\$ <u>0</u>	\$ <u>416,867</u>
Liabilities:				
Actuarial Liability for Annuity Payable	\$ <u>0</u>	\$ <u>26,273</u>	\$ <u>0</u>	\$ <u>26,273</u>
Total Liabilities at Fair Value	\$ <u>0</u>	\$ <u>26,273</u>	\$ <u>0</u>	\$ <u>26,273</u>