



FRONTIERS USA

Financial Statements
With Independent Auditors' Report

June 30, 2023 and 2022

FRONTIERS USA

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Frontiers USA
Tempe, Arizona

Opinion

We have audited the accompanying financial statements of Frontiers USA, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frontiers USA as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Board of Directors
Frontiers USA
Tempe, Arizona

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Frontiers USA'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 Frontiers USA's ability to continue as a going concern for a reasonable period of time.

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

Capin Crouse LLP

Ontario, California
September 22, 2023

FRONTIERS USA

Statements of Financial Position

	June 30,	
	2023	2022
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 9,053,329	\$ 10,798,609
Board designated cash and cash equivalents	1,192,816	461,080
Investments	12,981,155	11,908,700
Contributions receivable	190,000	232,000
Staff advances and other receivables	157,929	90,783
Prepaid expenses and other assets	236,039	184,804
Assets held for sale	-	295,500
	23,811,268	23,971,476
Land, building, and equipment—net	2,475,125	2,620,666
Finance lease right-of-use asset	34,212	-
	2,509,337	2,620,666
Total Assets	\$ 26,320,605	\$ 26,592,142
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 50,824	\$ 185,799
Accrued expenses	281,779	258,385
Finance lease liabilities	34,590	-
Amounts due to affiliates	1,563	66,024
Total liabilities	368,756	510,208
Net assets:		
Without donor restrictions:		
Undesignated	6,363,957	6,131,251
Board designated—investment reserve	802,512	70,776
Board designated—insurance reserve	390,304	390,304
Investment in land, building, and equipment	2,475,125	2,620,666
	10,031,898	9,212,997
With donor restrictions—fieldworker accounts and projects	15,919,951	16,868,937
Total net assets	25,951,849	26,081,934
Total Liabilities and Net Assets	\$ 26,320,605	\$ 26,592,142

See notes to financial statements

FRONTIERS USA

Statements of Activities

	Year Ended June 30,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 2,223,370	\$ 37,526,729	\$ 39,750,099	\$ 2,782,620	\$ 37,097,733	\$ 39,880,353
Investment income (loss)	1,115,788	-	1,115,788	(784,230)	-	(784,230)
Contributed property	-	-	-	295,500	-	295,500
Other income	192,037	-	192,037	162,032	-	162,032
Net assets released from restrictions:						
Administrative assessments	2,896,602	(2,896,602)	-	2,841,891	(2,841,891)	-
Satisfaction of field worker and project restrictions	35,579,113	(35,579,113)	-	33,636,618	(33,636,618)	-
Total Support and Revenue	42,006,910	(948,986)	41,057,924	38,934,431	619,224	39,553,655
EXPENSES:						
Field worker compensation	27,847,912	-	27,847,912	27,577,679	-	27,577,679
Ministry expense	7,527,153	-	7,527,153	6,015,707	-	6,015,707
International office assessment	976,578	-	976,578	996,284	-	996,284
Information technology	876,108	-	876,108	842,661	-	842,661
Finance/human resources	775,671	-	775,671	670,299	-	670,299
Receipting	677,037	-	677,037	639,972	-	639,972
Building and occupancy	471,177	-	471,177	402,732	-	402,732
Development	470,901	-	470,901	463,672	-	463,672
Training	425,744	-	425,744	310,939	-	310,939
Communications	321,046	-	321,046	266,062	-	266,062
Overseas placement and support	274,640	-	274,640	314,122	-	314,122
Recruiting	256,444	-	256,444	235,023	-	235,023
USA director and board	182,095	-	182,095	149,792	-	149,792
Church-based teams/church relations	61,141	-	61,141	83,666	-	83,666
Administrative services	44,362	-	44,362	31,553	-	31,553
Total Expenses	41,188,009	-	41,188,009	39,000,163	-	39,000,163

(continued)

See notes to financial statements

FRONTIERS USA

Statements of Activities (continued)

	Year Ended June 30,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Change in Net Assets	818,901	(948,986)	(130,085)	(65,732)	619,224	553,492
Net Assets, Beginning of Year	9,212,997	16,868,937	26,081,934	9,278,729	16,249,713	25,528,442
Net Assets, End of Year	\$ 10,031,898	\$ 15,919,951	\$ 25,951,849	\$ 9,212,997	\$ 16,868,937	\$ 26,081,934

See notes to financial statements

FRONTIERS USA

Statements of Cash Flows

	Year Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (130,085)	\$ 553,492
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Non-cash effect of change in accounting principle	378	-
Depreciation and amortization	242,845	307,819
Realized and unrealized (gain)/loss on investments	(491,867)	1,055,432
Contributed property	-	(295,500)
Changes in operating assets and liabilities:		
Contributions receivable	42,000	61,000
Staff advances and other receivables	(67,146)	(5,194)
Prepaid expenses and other assets	(51,235)	(57,852)
Accounts payable	(134,975)	(6,823)
Accrued expenses	23,394	70,796
Amounts due to affiliates	(64,461)	(239,814)
Net Cash Provided (Used by) Operating Activities	(631,152)	1,443,356
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(2,074,755)	(3,240,495)
Proceeds from sale of investments	1,494,167	1,996,648
Proceeds from sale of assets held for sale	295,500	-
Capital additions	(97,304)	(74,776)
Net Cash Used by Investing Activities	(382,392)	(1,318,623)
Change in Cash and Cash Equivalents	(1,013,544)	124,733
Cash and Cash Equivalents, Beginning of Year	11,259,689	11,134,956
Cash and Cash Equivalents, End of Year	\$ 10,246,145	\$ 11,259,689

(continued)

See notes to financial statements

FRONTIERS USA

Statements of Cash Flows (continued)

	Year Ended June 30,	
	2023	2022
CASH, CASH EQUIVALENTS, AND BOARD DESIGNATED CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash and Cash Equivalents	\$ 9,053,329	\$ 10,798,609
Board Designated Cash and Cash Equivalents	1,192,816	461,080
	<u>\$ 10,246,145</u>	<u>\$ 11,259,689</u>
SUPPLEMENTAL INFORMATION:		
Write-off of fully depreciated fixed assets	<u>\$ 184,649</u>	<u>\$ 45,290</u>
Right-of-use assets obtained in exchange for financing lease obligations	<u>\$ 43,987</u>	<u>\$ -</u>

See notes to financial statements

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

1. NATURE OF ORGANIZATION:

MIO Frontiers was incorporated in California in 1982, and was organized as a not-for-profit religious corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). It was also exempt from state income taxes. During the year ended June 30, 2021, MIO Frontiers was dissolved as a corporation and was reincorporated in Arizona as Frontiers USA (Frontiers). In July 2021, Frontiers received notice from the Internal Revenue Service (IRS) recognizing Frontiers under the employee identification number previously issued to MIO Frontiers. This notice also provided the determination that Frontiers has been classified as a publicly supported organization, which is not a private foundation, under Section 509(a) of the IRC. In December 2020, Frontiers requested a determination letter from the IRS reclassifying Frontiers as an “association of churches”. In a letter dated August 25, 2021, the IRS granted association of churches status to Frontiers. Contributions by the public are deductible for income tax purposes. Income for Frontiers primarily consists of contributions from individuals and churches. Frontiers continues to be exempt from state income taxes.

The mission of Frontiers is to plant churches that lead to movements among the least-evangelized peoples of the world through recruiting, training, sending, and serving fieldworkers. Some of Frontiers’ fieldworkers are self-supporting (tent-makers) and therefore a portion of their support is not reflected in the financial statements of Frontiers.

Frontiers works in partnership with the international movement of Frontiers in accordance with the International Cooperative Agreement. The Frontiers International Office, located in England, provides vision, coordination, and leadership to Frontiers. The financial statements of Frontiers are not consolidated with Frontiers International in accordance with U.S. generally accepted accounting principles under the Accounting Standards Codification (ASC) consolidation rules.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Frontiers uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

For statements of financial position and cash flow purposes, cash and cash equivalents include cash on hand, cash on deposit, and money market accounts. These accounts may, at times, exceed federally insured limits. At June 30, 2023 and 2022, Frontiers' cash balances on deposit exceeded federally insured limits by approximately \$9,532,000 and \$10,219,000, respectively. Frontiers has not experienced any losses in such accounts.

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investments in equity securities are reported at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy. Investments in debt securities are reported at fair value based on significant other observable inputs, which is Level 2 of the fair value hierarchy. Donated securities are recorded at fair value on the date of the gift and sold as soon as possible thereafter. Unrealized gains or losses in fair value are recognized in the year in which they occur. Investment securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of Frontiers' investments and total net assets balance could fluctuate materially.

CONTRIBUTIONS RECEIVABLE

Contributions receivable are reported as income when the unconditional promise to give is made. Contributions receivable are recorded at net realizable value. All contributions receivable are expected to be collected within one year and management believes these receivables are fully collectible, therefore no allowance for doubtful accounts is necessary for June 30, 2023 or 2022.

ASSET HELD FOR SALE

Frontiers placed property in Mesa, Arizona up for sale during the year ended June 30, 2022. This property was donated to Frontiers and was presented as contributed property on the statement of activities for the year ended June 30, 2022. The property was held at the estimated fair market value on the date of the gift and sold August 2022.

LAND, BUILDING, AND EQUIPMENT

Expenditures of \$1,000 or more for land, building, and equipment were capitalized at cost. Donated items are recorded at the fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, ranging from two to twenty years.

NET ASSETS

The financial statements report amounts by class of net assets:

Net assets without donor restrictions are those net assets currently available at the discretion of the board for use in Frontiers' operations, those designated by the board for specified purposes, and those resources invested in land, building, and equipment. The board designated investment reserves reflected on the statements of financial position are calculated at a maximum of 7.5% of total investment holdings, including the portion held as cash. The board designated insurance reserve is being held for use in a possible transition to a self-insured plan or plans.

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS, continued

Net assets with donor restrictions are contributed with donor stipulations for specific operating purposes. As of June 30, 2023 and 2022, the donor restricted amounts represent monies collected for fieldworkers and projects which have not yet been spent. The donor restricted amounts held for fieldworkers totaled \$14,041,460 and \$14,917,379, as of June 30, 2023 and 2022, respectively. The donor restricted amounts held for projects totaled \$1,878,491 and \$1,951,558, as of June 30, 2023 and 2022, respectively.

PUBLIC SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when cash or unconditional promises-to-give have been received, or ownership of donated assets is transferred to the ministry. Frontiers records contributions as donor restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions, or both. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Frontiers receives non-cash gifts, which are recorded as contributions at the estimated fair market value on the date of the gift. Other income is recorded when earned.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

CONTRIBUTED SERVICES

Accounting standards require that the value of donated services that create or enhance non-financial assets or require specialized skills be recorded. Many volunteers have contributed significant amounts of their time to activities of Frontiers; however, since the above requirements were not met, the value of the contributed services is not recorded in the financial statements.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and supporting services are summarized on a functional basis in Note 10. Expenses are directly charged to the appropriate activity, where feasible. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Such expenses require allocation on a reasonable basis that is consistently applied. Allocated expenses include depreciation and office and occupancy costs, which are allocated on a square footage basis; and personnel costs (not directly charged), which are allocated based on estimates of time and effort. Frontiers evaluates the allocation methodology periodically.

Accounting standards require all costs which contain any fundraising appeal to be allocated to fundraising unless all of the following three tests are met: purpose, audience, and content. The allocation of these joint costs is disclosed in Note 10 to the financial statements.

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842 of the Accounting Standards Codification [ASC]). The amendments in this update require organizations that lease assets to recognize on the statements of financial position the assets and liabilities for the rights and obligations created by the leases. The amendments are effective for fiscal years beginning after December 15, 2021. Frontiers adopted this update for the year ended June 2023. Frontiers elected to adopt the transition relief provisions from ASU 2018-11, *Leases (Topic 842): Targeted Improvements* and recorded the impact of adoption as of July 1, 2022, without restating any prior-year amounts. The additional lease disclosures can be found in Note 6. The effect of the adjustment to the opening balance of net assets totaled \$378. As it was deemed immaterial, the net asset difference was adjusted through development expenses on the statements of activities and functional allocation of expenses (Note 10). This amount is reported as a non-cash effect of change in accounting principle on the statements of cash flows.

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

3. LIQUIDITY:

The following reflects Frontiers' financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditure within one year of the statements of financial position date:

	June 30,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 9,053,329	\$ 10,798,609
Board designated cash and cash equivalents	1,192,816	461,080
Investments	12,981,155	11,908,700
Asset held for sale	-	295,500
Contributions receivable	190,000	232,000
Financial assets, at year end	<u>23,417,300</u>	<u>23,695,889</u>
Less those unavailable for general expenditure within one year due to:		
Board designated reserves	<u>(1,192,816)</u>	<u>(461,080)</u>
	<u>(1,192,816)</u>	<u>(461,080)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 22,224,484</u>	<u>\$ 23,234,809</u>

Frontiers manages its liquid resources by employing a number of different measures. Frontiers focuses on generating adequate contributions to cover its activities, while investing excess cash in investments to maximize earnings in light of Frontiers' risk tolerance. Expenses are reviewed frequently as part of the monitoring process over budget-to-actual results. As discussed in Note 7, Frontiers maintained a revolving line of credit with a balance up to \$1,000,000 available in the event of an unanticipated liquidity need, which matured in April 2022, and was renewed in September 2022. Frontiers did not draw on the line of credit during either of the years ended June 30, 2023 and 2022.

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

4. FAIR VALUE MEASUREMENTS:

Frontiers uses appropriate valuation techniques to determine fair value based on inputs available. When available, Frontiers measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

Fair values of assets measured on a recurring basis at June 30, 2023 and 2022, are:

	Fair Value Measurements Using:			
	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	\$ 4,408,108	\$ 4,408,108	\$ -	\$ -
Fixed income	8,573,047	-	8,573,047	-
	<u>\$ 12,981,155</u>	<u>\$ 4,408,108</u>	<u>\$ 8,573,047</u>	<u>\$ -</u>
	Fair Value Measurements Using:			
	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	\$ 3,979,290	\$ 3,979,290	\$ -	\$ -
Fixed income	7,929,410	-	7,929,410	-
	<u>\$ 11,908,700</u>	<u>\$ 3,979,290</u>	<u>\$ 7,929,410</u>	<u>\$ -</u>

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

5. LAND, BUILDING, AND EQUIPMENT–NET:

Land, building, and equipment–net consist of:

	June 30,	
	2023	2022
Land	\$ 1,740,000	\$ 1,740,000
Building and improvements	3,977,599	4,060,229
Furniture and fixtures	350,701	441,243
Office equipment	489,078	403,251
Website and software development projects	379,052	379,052
	<u>6,936,430</u>	<u>7,023,775</u>
Less accumulated depreciation and amortization	<u>(4,461,305)</u>	<u>(4,403,109)</u>
	<u>\$ 2,475,125</u>	<u>\$ 2,620,666</u>

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

6. FINANCING LEASE-RIGHT OF USE ASSETS AND OBLIGATIONS:

Frontiers leases office equipment under annual agreements that are classified as financing leases with expiration dates ranging through January 2027. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease.

	<u>June 30,</u> <u>2023</u>
Finance right-of-use assets	\$ 34,212
Finance lease liabilities	\$ 34,590
Amortization of ROU assets	\$ 9,775
Interest on lease liabilities	\$ 516
Weighted-average discount rate	1.27%
Weighted-average remaining lease term	3.5 years

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

<u>Year Ending June 30,</u>	
2024	\$ 10,120
2025	10,120
2026	10,120
2027	5,060
	<u>35,420</u>
Less imputed interest	<u>(830)</u>
	<u>\$ 34,590</u>

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

7. LINE OF CREDIT:

Frontiers has a line of credit from a financial institution in the amount of \$1,000,000 with a variable rate of SOFR + 2.974%, and a maturity date of September 2, 2023. As of June 30, 2023 and 2022, there were no outstanding borrowings on the line of credit.

8. 403(b) PENSION PLAN:

Frontiers maintains a 403(b) pension plan for its employees. Employees who work 20 hours or more per week and have obtained the age of twenty-one are eligible to participate in the plan and to receive employer matching contributions on their discretionary contributions. Prior to July 1, 2021, Frontiers matched 25% of the first 4% of employee discretionary contributions after one year of service, increasing to 50% of the first 4% once the participant had been credited with two years of service. Beginning July 1, 2021, the Board approved an increase in the match to 50% of the first 6% of employee discretionary contributions effective on the first day of employment. During the years ended June 30, 2023 and 2022, Frontiers' contributions to the 403(b) plan were \$317,264 and \$289,486, respectively.

9. INTERNATIONAL OFFICE ASSESSMENT:

The contributions raised by Frontiers' fieldworkers are assessed a fee to fund fieldworker oversight and other contracted services provided by the international office. These amounts are included in international office assessments in the statements of activities.

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

10. FUNCTIONAL ALLOCATION OF EXPENSES:

The table below presents expenses by both their nature and function for the years ending:

	Year Ended June 30, 2023			
	Program Activities	Management and General	Fundraising	Total
Salaries and benefits	\$ 26,371,180	\$ 1,212,624	\$ 2,755,003	\$ 30,338,807
Grants to other organizations	2,707,085	-	-	2,707,085
Travel and meals	2,165,146	6,056	483,464	2,654,666
Office expenses	522,634	508,600	221,705	1,252,939
Training and conferences	872,453	1,444	153,814	1,027,711
Payments to affiliates	995,592	-	4,753	1,000,345
Outside services	589,407	172,645	105,376	867,428
Other fieldworker expenses	603,553	-	150,889	754,442
All other expenses	395,814	114,971	73,801	584,586
	<u>\$ 35,222,864</u>	<u>\$ 2,016,340</u>	<u>\$ 3,948,805</u>	<u>\$ 41,188,009</u>
	<u>85.5%</u>	<u>4.9%</u>	<u>9.6%</u>	<u>100%</u>

FRONTIERS USA

Notes to Financial Statements

June 30, 2023 and 2022

10. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

	Year Ended June 30, 2022			
	Program Activities	Management and General	Fundraising	Total
Salaries and benefits	\$ 25,937,424	\$ 1,180,789	\$ 2,692,997	\$ 29,811,210
Grants to other organizations	2,139,047	-	-	2,139,047
Travel and meals	1,595,622	5,445	353,265	1,954,332
Office expenses	491,010	466,872	225,918	1,183,800
Training and conferences	653,022	1,644	113,035	767,701
Payments to affiliates	1,018,730	-	5,611	1,024,341
Outside services	457,383	168,211	103,486	729,080
Other fieldworker expenses	604,153	-	151,038	755,191
All other expenses	409,880	145,366	80,215	635,461
	\$ 33,306,271	\$ 1,968,327	\$ 3,725,565	\$ 39,000,163
	85.4%	5.0%	9.6%	100%

As stated in Note 2, Frontiers incurs costs for fieldworker deputation which includes time spent performing fundraising functions. These costs are referred to as joint costs and are allocated to program services and fundraising. Joint cost allocations are as follows:

	June 30,	
	2023	2022
Program services	\$ 1,651,619	\$ 1,546,262
Fundraising	3,275,390	3,064,948
	\$ 4,927,009	\$ 4,611,210

11. SUBSEQUENT EVENTS:

Subsequent events were evaluated through September 22, 2023, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.