

Financial Statements

The For All Mankind Movement, Inc.

Year Ended December 31, 2021

Financial Statements

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Independent Accountant's Review Report

Board of Directors
The For All Mankind Movement, Inc.
Houston, Texas

We have reviewed the accompanying financial statements of The For All Mankind Movement, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The For All Mankind Movement, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Correction of Prior Period Errors

As described in Note H to the financial statements, net assets at December 31, 2020, have been adjusted for the correction of prior period errors. Our conclusion is not modified with respect to that matter.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Romeo, Wiggins & Company, L.L.P.

Raleigh, North Carolina
September 26, 2022

Statement of Financial Position

The For All Mankind Movement, Inc.

December 31, 2021

ASSETS

| | | |
|-----------------------------------|----|---------------|
| Cash | \$ | 1,860,416 |
| Accounts receivable | | 14,667 |
| Fixed assets, net of depreciation | | <u>25,655</u> |

TOTAL ASSETS \$ 1,900,738

LIABILITIES AND NET ASSETS

| | | |
|---------------------------------------|----|---------------|
| Accounts payable and accrued expenses | \$ | 63 |
| Deferred rent | | <u>34,584</u> |
| TOTAL LIABILITIES | | <u>34,647</u> |

NET ASSETS

| | | |
|--|--|------------------|
| Without donor restrictions: | | |
| Available for operations | | 908,174 |
| Board-designated for FAMM team members | | 148,952 |
| Fixed assets, net | | <u>25,655</u> |
| Total without donor restrictions | | 1,082,781 |
| With donor restrictions | | <u>783,310</u> |
| TOTAL NET ASSETS | | <u>1,866,091</u> |

TOTAL LIABILITIES AND NET ASSETS \$ 1,900,738

See independent accountant's review report and notes to financial statements.

Statement of Activities

The For All Mankind Movement, Inc.

Year Ended December 31, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|----------------------------------|-------------------------------|---------------------|
| SUPPORT, REVENUE, AND OTHER INCOME: | | | |
| Contributions | \$ 1,987,490 | \$ 1,001,396 | \$ 2,988,886 |
| Net assets released from purpose restrictions | 660,333 | (660,333) | - |
| TOTAL SUPPORT, REVENUE, AND OTHER INCOME | <u>2,647,823</u> | <u>341,063</u> | <u>2,988,886</u> |
| EXPENSES: | | | |
| Program services: | | | |
| Missions and ministry | 1,619,289 | | 1,619,289 |
| Support services: | | | |
| Management and general | 343,745 | - | 343,745 |
| Fundraising | 117,708 | - | 117,708 |
| Total support services | <u>461,453</u> | <u>-</u> | <u>461,453</u> |
| TOTAL EXPENSES | <u>2,080,742</u> | <u>-</u> | <u>2,080,742</u> |
| CHANGE IN NET ASSETS | <u>\$ 567,081</u> | <u>\$ 341,063</u> | <u>\$ 908,144</u> |
| Net assets, beginning of year, unadjusted | \$ 597,032 | \$ 396,144 | \$ 993,176 |
| Correction of prior period errors--Note H | (81,332) | 46,103 | (35,229) |
| Net assets, beginning of year, as adjusted | <u>515,700</u> | <u>442,247</u> | <u>957,947</u> |
| Change in net assets | <u>567,081</u> | <u>341,063</u> | <u>908,144</u> |
| NET ASSETS, END OF YEAR | <u>\$ 1,082,781</u> | <u>\$ 783,310</u> | <u>\$ 1,866,091</u> |

See independent accountant's review report and notes to financial statements.

Statement of Functional Expenses

The For All Mankind Movement, Inc.

Year Ended December 31, 2021

| | Program Services | | Support Services | | Total Expenses |
|---|-----------------------|-------------------------|------------------|-------------------------|----------------|
| | Missions and Ministry | Management and General | Fundraising | Total Support Services | |
| OPERATING EXPENSES: | | | | | |
| Accounting | \$ | \$ 17,519 | \$ | \$ 17,519 | \$ 17,519 |
| Bank and on-line donation fees | | 32,227 | 18,865 | 21,226 | 53,453 |
| Employer payroll taxes | | 22,244 | | 8,444 | 30,688 |
| Professional | | 6,199 | | 7,622 | 13,821 |
| Computer, equipment, software, and media | | 21,824 | 284 | 19,285 | 41,109 |
| Postage and shipping | | 4,958 | 32 | 32 | 4,990 |
| Office rent and utilities | | 498 | 103,318 | 103,318 | 103,816 |
| Office supplies and furnishings | | 625 | | 12,122 | 12,747 |
| Marketing | | 9,103 | 830 | 830 | 9,933 |
| Gifts | | 13,507 | | 4,978 | 18,485 |
| Total operating expenses, before depreciation | | <u>111,185</u> | <u>19,979</u> | <u>195,376</u> | <u>306,561</u> |
| STAFF EXPENSES: | | | | | |
| Salary | | 430,142 | 56,270 | 171,870 | 602,012 |
| Housing allowance | | 130,063 | 28,350 | 38,850 | 168,913 |
| Staff expense and benefits | | 41,378 | 7,947 | 12,720 | 54,098 |
| Contract labor | | 5,540 | | 14,268 | 19,808 |
| Total staff expenses | | <u>607,123</u> | <u>92,567</u> | <u>237,708</u> | <u>844,831</u> |
| OTHER EXPENSES: | | | | | |
| Grants and other assistance | | 401,595 | | - | 401,595 |
| Compassion kits | | 88,260 | | - | 88,260 |
| Other mission expenses | | 204,488 | 23 | 23 | 204,511 |
| Conference expenses | | 10,146 | | - | 10,146 |
| Team development | | 58,886 | 4,659 | 4,659 | 63,545 |
| Travel | | 137,606 | 480 | 4,332 | 141,938 |
| Total other expenses | | <u>900,981</u> | <u>5,162</u> | <u>9,014</u> | <u>909,995</u> |
| Depreciation | | - | - | 19,355 | 19,355 |
| TOTAL EXPENSES | \$ | <u>1,619,289</u> | \$ | <u>461,453</u> | \$ |
| | | <u>343,745</u> | \$ | <u>117,708</u> | \$ |
| | | | | <u>2,080,742</u> | |

See independent accountant's review report and notes to financial statements.

Statement of Cash Flows

The For All Mankind Movement, Inc.

Year Ended December 31, 2021

OPERATING ACTIVITIES

| | | |
|--|----|----------------|
| Change in net assets | \$ | 908,144 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation expense | | 19,355 |
| Loss on disposal of fixed assets | | 33 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | | (14,667) |
| Accounts payable | | (46) |
| Deferred rent | | (645) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | | <u>912,174</u> |

INVESTING ACTIVITIES

| | | |
|---------------------------------------|--|----------------|
| Purchases of fixed assets | | <u>(8,332)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | | <u>(8,332)</u> |

NET CHANGE IN CASH 903,842

Cash, beginning of year 956,574

CASH, END OF YEAR \$ 1,860,416

SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid \$ -

See independent accountant's review report and notes to financial statements.

The For All Mankind Movement, Inc.

Year Ended December 31, 2021

NOTE A--THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Organization: The For All Mankind Movement, Inc. (the Organization) was organized in April 2009 and operates in a manner consistent with the Texas Non-Profit Corporation Act and Section 501(c)(3) of the United States Internal Revenue Code.

The Organization is a nonprofit organization staffed by a combination of paid staff and volunteers. The mission of the Organization is to initiate, nurture, and facilitate disciple-making movements, which result in biblical church planting at a movement capacity. The Organization seeks to reach the unreached with the gospel, equip them as apostolic leaders, and send them as missionaries to their own people. The Organization utilizes a variety of tools to fulfill their mission, including outreach and leadership training, theological education, mission teams, and distribution of hygiene kits as loving gifts given to those in need. The Organization relies upon donations from the general public, individually and through faith-based organizations and churches, and expends according to the Board of Directors designations and donor restrictions.

Basis of Accounting: The Organization uses the accrual basis of accounting; therefore, revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Display of Net Assets by Class: The Organization's net assets are presented in the following classes, as applicable:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. This net asset class may also include contributions that are restricted by the donor if the restrictions are satisfied in the reporting period in which the support is recognized. Board-designated net assets are also included in net assets without restriction. At December 31, 2021, net assets of \$148,952 are Board-designated for use by FAMM team members.

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors. Donor-restricted contributions are reported as increases in net assets with donor restrictions, unless the restrictions are satisfied in the reporting period in which the support is recognized. When a restriction is satisfied or expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Refer to *Note E* herein for details of net assets with donor restrictions at December 31, 2021.

Recognition of Support: Promises to give, including contributions to the Organization, are generally considered nonreciprocal transactions and are recognized as support when conditions, if any, have been met. A condition exists if the agreement with the donor includes a barrier that must be overcome and either a right of return of assets transferred or a right of release from the donor's obligation to transfer assets. Amounts received against conditional promises to give are held as deferred support until conditions for recognition are met. No promises to give were conditional at December 31, 2021; therefore, no deferred support is reported in the accompanying statement of financial position.

Support from unconditional contributions is recognized as an increase in either net assets without donor restrictions or net assets with donor restrictions, based on the absence or presence of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

The For All Mankind Movement, Inc.

NOTE A--THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Donated Goods and Services: In-kind contributions of materials or facilities are recorded at their estimated fair value on the date of donation. Such contributions are recorded as in-kind contributions in the statement of activities and as a corresponding expense in the statement of functional expenses. Donated services are recognized as both a revenue and an expense in accordance with FASB ASC 958-605 if the services (a) create nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. Donated services are valued at the estimated fair value of such services or what the Organization would have had to pay for the donated services if such services had been purchased. No such contributions were received in 2021.

Various contributed services are performed for the Organization by volunteers. The services are significant and form an integral part of the efforts of the Organization; however, these services do not meet the criteria for recognition as contributed services in 2021.

Cash Equivalents: The Organization considers highly liquid investments having an initial maturity of three months or less to be cash equivalents. The Organization held no cash equivalents at December 31, 2021.

Accounts Receivable: Accounts receivable at December 31, 2021, consists of \$14,667 due from various donors. Management has recorded no allowance for doubtful accounts since these receivables are considered fully collectible. Receivables are unsecured and are due within a year.

Fixed Assets: Purchased or donated fixed assets are stated at cost and estimated fair value, respectively. The Organization capitalizes fixed assets in excess of \$2,500 and implies no time restrictions on gifts of long-lived assets. Assets are depreciated on the straight-line basis over the estimated useful lives of the various assets. The estimated useful lives of fixed assets for financial reporting purposes are summarized as follows:

| | |
|-----------|---------|
| Vehicles | 5 years |
| Equipment | 5 years |
| Furniture | 5 years |

Income Taxes: The For All Mankind Movement, Inc. is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and the Texas Non-Profit Corporation Act and is classified by the IRS as a publicly supported organization. The Organization had no unrelated business income for the year ended December 31, 2021, and management is aware of no uncertain tax positions.

Functional Allocation of Expenses: The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expense classification. Certain indirect expenses are allocated to program and support services based on estimated usage and/or estimated benefit.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support, revenue and expenses during the reported period. Actual results could differ from those estimates.

Notes to Financial Statements--Continued

The For All Mankind Movement, Inc.

NOTE A--THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Upcoming Adoption of New Accounting Standard: In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, as deferred by ASU 2020-05. The standard provides for a modified retrospective transition approach for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Entities are also allowed to initially apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets, with certain practical expedients available. Management is currently evaluating the impact of the pending adoption of the new standard, including amendments thereto, on the Organization's financial statements.

NOTE B--AVAILABILITY AND LIQUIDITY OF ASSETS

The following reflects the Organization's financial assets, reduced by amounts not available for general expenditures within one year, as of December 31, 2021:

| | |
|--|-------------------|
| Financial assets at year-end (cash and receivables) | \$ 1,875,083 |
| Less those unavailable for general expenditures within one year, due to: | |
| Board designations | (148,952) |
| Donor restrictions as to purpose | <u>(783,310)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | \$ <u>942,821</u> |

NOTE C--SIGNIFICANT CONCENTRATIONS

Concentration of Credit Risk: Financial instruments that subject the Organization to potential concentrations of credit risk consist primarily of depository holdings with a bank. The Organization's bank deposits are eligible for up to \$250,000 of FDIC insurance coverage. Deposits of approximately \$1,518,000 exceeded the federally insured limit at December 31, 2021. The Organization has experienced no losses as a result of such and management does not consider bank holdings to represent a significant credit risk.

Concentration of Support: The Organization depends upon contributions from the general public, individually, and through faith-based organizations and churches. Should these contributions cease, the Organization would need to obtain support from other sources. The Organization's support in 2021 was derived from the following sources:

| | |
|-------------|-------------|
| Individuals | 50% |
| Churches | 35% |
| Foundations | 8% |
| Other | <u>7%</u> |
| | <u>100%</u> |

Notes to Financial Statements--Continued

The For All Mankind Movement, Inc.

NOTE D--FIXED ASSETS

Fixed assets consist of the following at December 31, 2021:

| | |
|---|------------------|
| Vehicles | \$ 68,574 |
| Equipment | 13,033 |
| Furniture | <u>16,929</u> |
| Total fixed assets | 98,536 |
| Accumulated depreciation | <u>(72,881)</u> |
| Total fixed assets, net of depreciation | <u>\$ 25,655</u> |

Depreciation expense totaled \$19,355 for 2021. Fixed assets having an aggregate cost of \$48,207 and a net book value of \$33 were written off in 2021 since no longer used by the Organization.

NOTE E--NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were released from restriction upon satisfaction of purpose restrictions as follows for the year ended December 31, 2021:

| | |
|-----------------------|-------------------|
| Conference | \$ 10,146 |
| Missions and ministry | <u>650,187</u> |
| | <u>\$ 660,333</u> |

Net assets with donor restrictions at December 31, 2021, are subject to purpose restrictions as follows:

| | |
|-----------------------|-------------------|
| Conference | \$ - |
| Missions and ministry | <u>783,310</u> |
| | <u>\$ 783,310</u> |

NOTE F--OPERATING LEASE

The Organization leases its primary office space under an operating lease with an initial term of March 1, 2020 to September 30, 2027. Rent was abated for the first seven months of the lease term. Thereafter, the lease requires monthly payments of base rent at stated rates and additional rent based on a pro rata share of certain variable costs of operating and maintaining the building. The lease provides one five-year renewal option with rent to be based on market rates then in effect. Base rent expense is recognized on a straight-line basis over the life of the lease and totaled \$60,498 for 2021. Deferred rent (a liability in the statement of financial position) results when cumulative base rent expense charged to operations since inception of the lease exceeds the required base rent payments. Deferred rent totaled \$34,584 at December 31, 2021. The Organization reported additional rent of \$24,495 in 2021. Future minimum rent payments, including base rent and estimated additional rent, are as follows at December 31, 2021:

| | |
|------------|-------------------|
| 2022 | \$ 100,468 |
| 2023 | 102,066 |
| 2024 | 103,655 |
| 2025 | 105,263 |
| 2026 | 106,863 |
| Thereafter | <u>81,050</u> |
| | <u>\$ 599,365</u> |

Notes to Financial Statements--Continued

The For All Mankind Movement, Inc.

NOTE G--COMMITMENTS AND CONTINGENCIES

COVID-19: On March 11, 2020, the World Health Organization declared COVID-19 a global health pandemic. Staff members of The For All Mankind Movement, Inc. continued to minister; however, throughout 2020 and into 2021 travel was more limited due to COVID-19 protocols and restrictions adopted by the United States and the countries most often served by the Organization.

At the date the financial statements were available to be issued, the Organization's staff members have resumed their pre-pandemic travel norms, but are following CDC guidelines for mitigating exposure to and spread of the coronavirus. Management continues to monitor the situation closely; however, the impact of COVID-19 and its variants on future operations cannot be reasonably estimated at this time.

NOTE H--CORRECTION OF PRIOR PERIOD ERRORS

Net assets at December 31, 2020, have been adjusted for the correction of prior period errors as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total Net Assets</u> |
|--|---------------------------------------|------------------------------------|-----------------------------|
| Net assets, December 31, 2020, unadjusted | \$ 597,032 | \$ 396,144 | \$ 993,176 |
| To recognize deferred rent liability when recognizing based rent expense on a straight-line basis over life of the lease. | (35,229) | - | (35,229) |
| To reclassify ION Conference funds. | (10,146) | 10,146 | - |
| To reclassify cumulative expenses in excess of revenues in FAMM India Fund. | <u>(35,957)</u> | <u>35,957</u> | <u>-</u> |
| Net assets, December 31, 2020, as adjusted | <u>\$ 515,700</u> | <u>\$ 442,247</u> | <u>\$ 957,947</u> |

NOTE I--SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 26, 2022, the date on which the financial statements were available to be issued. No further adjustments to or disclosures in the financial statements are considered necessary.