

**AFRICAN METHODIST EPISCOPAL CHURCH CHRISTIAN EDUCATION
DEPARTMENT**

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT
AND FINANCIAL STATEMENTS
MARCH 31, 2022**

**AFRICAN METHODIST EPISCOPAL CHURCH CHRISTIAN EDUCATION
DEPARTMENT**

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INDEPENDENT ACCOUNTANTS REVIEW REPORT

To the Board of Directors and Trustees of
African American Episcopal Church Christian Education Department

We have reviewed the accompanying financial statements of African American Episcopal Church Christian Education Department (the non-profit organization) which comprise the statement of financial position as of March 31, 2022 , 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 entity 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 me 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 African American Episcopal Church Christian Education Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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.

A handwritten signature in blue ink that reads "Hoskins & Company".

Hoskins & Company
Nashville, TN
June 23, 2022

**AFRICAN METHODIST EPISCOPAL CHURCH CHRISTIAN EDUCATION
DEPARTMENT
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022**

Assets

Current assets

Cash and cash equivalents (Note 1)	\$ 299,876
Due from AMEC Finance	8,839
Other assets-deposit for furniture	<u>42,477</u>
Total current assets	<u><u>351,192</u></u>

Noncurrent assets

Plant, Property and equipment, net (Note 3)	<u>\$ -</u>
Total assets	<u><u>\$ 351,192</u></u>

Liabilities and net assets

Total Liabilities	\$ -
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Net assets

Net assets without donor restrictions	<u>351,192</u>
Total net assets	<u><u>351,192</u></u>
Total liabilities and net assets	<u><u>\$ 351,192</u></u>

The accompanying notes are an integral part of these financial statements.

**AFRICAN METHODIST EPISCOPAL CHURCH CHRISTIAN EDUCATION
DEPARTMENT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Revenue			
Subscription	\$ 66,235	\$ -	\$ 66,235
Resource sales	42,012	-	42,012
Total sales	108,247	-	108,247
Cost of sales			
Material purchases and related costs	(3,099)	-	(3,099)
Resource development and related costs	(25,298)	-	(25,298)
Cost of sales	(28,397)	-	(28,397)
Net Sales	79,850	-	79,850
Allocations	119,571	-	119,571
Offerings	1,941	-	1,941
Total revenue	\$ 201,362	\$ -	\$ 201,362
Expenses			
Program services	47,926	-	47,926
General & administrative	29,550	-	29,550
Total expenses	77,476	-	77,476
Increase in net assets	123,887	-	123,887
Net assets at beginning of fiscal year	227,305	-	227,305
Net assets at end of fiscal year	\$ 351,192	\$ -	\$ 351,192

The accompanying notes are an integral part of these financial statements.

AFRICAN METHODIST EPISCOPAL CHURCH CHRISTIAN EDUCATION DEPARTMENT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Total Expenses</u>
Salaries	\$ 13,350	\$ 8,900	\$ 22,250
Fringe benefits	990	660	1,650
Information technology	5,683	3,789	9,472
Supplies	2,890	1,926	4,816
Utilities	844	562	1,406
Bank fees	-	600	600
Interest expense	-	46	46
Membership dues	90	60	150
Advertisements	135	-	135
Office expense	6,071	4,047	10,118
Travel,conference and meetings	3,003	2,003	5,006
Connectional meeting expense	2,750	6,417	9,167
Charitable contributions	700	300	1,000
Ministries	5,910	-	5,910
Honorarium	5,150	-	5,150
Miscellaneous	360	240	600
Total Expenses	<u>\$ 47,926</u>	<u>\$ 29,550</u>	<u>\$ 77,476</u>

The accompanying notes are an integral part of these financial statements.

AFRICAN METHODIST EPISCOPAL CHURCH CHRISTIAN EDUCATION DEPARTMENT
STATEMENT OF CASH FLOWS
MARCH 31, 2022

Cash flows from operating activities

Increase in net assets	\$ 123,887
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Increase in other assets-deposit for furniture	(42,477)
Net cash provided by operating activities	<u>81,410</u>

Cash flows from investing activities

Net cash provided by investing activities	-
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Cash flows from financing activities

Net cash provided by financing activities	<u>-</u>
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Net increase in cash equivalents	81,410
Cash and cash equivalents, beginning of year	218,466
Cash and cash equivalents, end of year	<u><u>\$ 299,876</u></u>

Interest Paid, Cash	<u><u>\$ 46</u></u>
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The accompanying notes are an integral part of these financial statements.

AFRICAN METHODIST EPISCOPAL CHURCH CHRISTIAN EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 1--- NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The African Methodist Episcopal Church Christian Education Department (the organization or department) is a nonprofit organization designed to promote the educational ministry of the Church. The Christian Education Department accomplishes its mission by providing publications and holding meetings geared toward clergy and others that teach Christian values. The Organization is exempt from income taxes. The Christian Education Department's financial statements are presented on the accrual basis of accounting. Sales are recognized when a sale is made. Expenses are recognized in the period in which the related liability is incurred.

Revenue

Revenue is derived from three main sources. The finance department of the African Methodist Episcopal Church provides an annual allocation to the Department. This revenue is for the operation of the department. The other sources of revenue are from the sale of subscriptions and publications and amounts received for conferences and other educational meetings.

Basis of Presentation

The financial statements the Department have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities. The financial statement presentation follows the recommendations of the Financial Accounting Standard Board's Accounting Standard Codification (FASB ASC 958), Financial Statements of Not-for-profit Organizations. Under FASB ASC 958, The AME Christian Education Department is reporting information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Net Assets without donor restrictions — Net assets that are not restricted by purpose or time either temporarily or perpetually by explicit donor stipulations or by law. Board designation does not constitute a donor restriction.

Net Assets with donor restrictions —Net assets that are restricted by purpose or time either temporarily or perpetually by explicit donor stipulations or by law.

At March 31, 2022, The AME Christian Education Department had no assets with donor restrictions.

AFRICAN METHODIST EPISCOPAL CHURCH CHRISTIAN EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 1--- NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public Support and Revenue

Donation Received reported as an increase in net assets. The AME Christian Education Department reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The AME Christian Education Department reports Donation as support without restrictions unless explicit donor stipulations specify how the donated assets must be used.

Cash and Cash Equivalents

Cash and cash equivalents include checking and savings accounts, The carrying amount reported in the statement of financial position for cash and cash equivalents approximates its fair value.

Functional Expenses

Management allocates expenses on a functional basis among its various programs and support services. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

Advertising Costs

The AME Christian Education Department incurred and recorded advertising expense during the fiscal year 2022 announce program activities available and to make the public aware of the special annual events. None of the expense is considered direct-response advertising costs.

Income Taxes

The Organization is a tax-exempt institution under the 501 (c) (3) Internal Revenue Code as part of the African Methodist Episcopal group exemption. Accordingly, no provision for an income tax is considered necessary.

Equipment and Leasehold Improvement

Equipment and leasehold improvements are capitalized at cost. Depreciation is computed using the straight line method of depreciation over the estimated life of the asset. Furniture, equipment and leasehold improvements costing greater than \$2,000 are capitalized, items costing less than \$2,000 are expensed. Items are depreciated between three and five years, depending on their estimated useful life.

AFRICAN METHODIST EPISCOPAL CHURCH CHRISTIAN EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 2---LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has financial assets of \$ \$299,876 as of March 31, 2022. These financial assets consisted of cash and cash equivalents all of which is available for general expenditure within the next 12 months, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date. The organization did not have any donor restrictions.

NOTE 3---PROPERTY, PLANT, AND EQUIPMENT

Fixed assets as of March 31, 2022 consist of the following:

Furniture and equipment	\$ 7,284
Leasehold improvement	4,307
Less: accumulated depreciation	<u>(11,591)</u>
Total	<u><u>\$ -</u></u>

NOTE 4---RELATED PARTY

The department receives a significant portion of operating revenue from the African Methodist Episcopal Church finance department. Allocations received for the year ended March 31, 2022 was \$119,571.

NOTE 5---SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure as of June 23, 2022, the date management evaluated such events. Subsequent events were evaluated through June 23, 2022, which is the date the financial statements were available to be issued.