

**AFRICAN METHODIST EPISCOPAL CHURCH –DEPARTMENT OF CHURCH
GROWTH**

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

**AFRICAN METHODIST EPISCOPAL CHURCH -- DEPARTMENT OF CHURCH
GROWTH**

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INDEPENDENT ACCOUNTANTS REVIEW REPORT

To the Board of Directors and Trustees of
African American Episcopal Church - Department of Church Growth

We have reviewed the accompanying financial statements of African American Episcopal Church - Department of Church Growth (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 six months 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 - Department of Church Growth 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". The signature is written in a cursive style.

Hoskins & Company
Nashville, TN
June 24, 2022

**AFRICAN METHODIST EPISCOPAL CHURCH - DEPARTMENT OF CHURCH
GROWTH
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022**

Assets

Current assets

| | |
|------------------------------------|---------------|
| Cash and cash equivalents (Note 2) | \$ 27,685 |
| Total current assets | <u>27,685</u> |

| | |
|---------------------|-------------------------|
| Total assets | <u>\$ 27,685</u> |
|---------------------|-------------------------|

Liabilities and net assets

| | |
|--------------------------|------|
| Total Liabilities | \$ - |
|--------------------------|------|

Net assets

| | |
|---------------------------------------|---------------|
| Net assets without donor restrictions | <u>27,685</u> |
| Total net assets | <u>27,685</u> |

| | |
|---|-------------------------|
| Total liabilities and net assets | <u>\$ 27,685</u> |
|---|-------------------------|

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

**AFRICAN METHODIST EPISCOPAL CHURCH- DEPARTMENT OF CHURCH GROWTH
STATEMENT OF ACTIVITIES
FOR THE SIX MONTHS ENDED MARCH 31, 2022**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|------------|
| Revenues and support | | | |
| Event revenue | \$ 67,549 | \$ - | \$ 67,549 |
| Allocations | 36,648 | - | 36,648 |
| Subscriptions | 31,100 | - | 31,100 |
| Total revenue | \$ 135,297 | \$ - | \$ 135,297 |
| Expenses | | | |
| Program services | 99,149 | - | 99,149 |
| General & administrative | 8,463 | - | 8,463 |
| Total expenses | 107,612 | - | 107,612 |
| Increase in net assets | 27,685 | - | 27,685 |
| Net assets at beginning of fiscal year | - | - | - |
| Net assets at end of fiscal year | \$ 27,685 | \$ - | \$ 27,685 |

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

AFRICAN METHODIST EPISCOPAL CHURCH - DEPARTMENT OF CHURCH GROWTH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE SIX MONTHS ENDED MARCH 31, 2022

| | <u>Program Services</u> | <u>General & Administrative</u> | <u>Total Expenses</u> |
|---------------------------------|-----------------------------|---|-----------------------|
| Events | \$ 83,685 | \$ - | \$ 83,685 |
| Office expense | 6,328 | 2,712 | 9,040 |
| Travel, conference and meetings | 3,834 | 5,751 | 9,585 |
| Program materials | 5,302 | - | 5,302 |
| | | | |
| Total Expenses | <u>\$ 99,149</u> | <u>\$ 8,463</u> | <u>\$ 107,612</u> |

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

AFRICAN METHODIST EPISCOPAL CHURCH - DEPARTMENT OF CHURCH GROWTH
STATEMENT OF CASH FLOWS
MARCH 31, 2022

Cash flows from operating activities

| | |
|--|-----------|
| Increase in net assets | \$ 27,685 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | |
| Net cash provided by operating activities | 27,685 |

Cash flows from investing activities

| | |
|---|---|
| Net cash provided by investing activities | - |
|---|---|

Cash flows from financing activities

| | |
|---|---|
| Net cash provided by financing activities | - |
|---|---|

| | |
|---|-------------------------|
| Net increase in cash equivalents | 27,685 |
| Cash and cash equivalents, beginning of year | - |
| Cash and cash equivalents, end of year | <u><u>\$ 27,685</u></u> |

| | |
|---------------------|--------------------|
| Interest Paid, Cash | <u><u>\$ -</u></u> |
|---------------------|--------------------|

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

AFRICAN METHODIST EPISCOPAL CHURCH – DEPARTMENT OF CHURCH GROWTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2022

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

Nature of Activities

The African Methodist Episcopal Church - Department of Church Growth (the organization or department) is a nonprofit organization designed to grow the Church by reclaiming members, evangelizing the lost and developing churches. The department accomplishes its mission through publications and holding meetings geared toward clergy and others that teach Christian values.

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 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 - Department of Church Growth 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 - Department of Church Growth had no assets with donor restrictions.

Public Support and Revenue

Donation Received reported as an increase in net assets. The AME - Department of Church Growth 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 - Department of Church Growth reports Donation as support without restrictions unless explicit donor stipulations specify how the donated assets must be used.

AFRICAN METHODIST EPISCOPAL CHURCH – DEPARTMENT OF CHURCH GROWTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2022

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

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 - Department of Church Growth 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 – DEPARTMENT OF CHURCH GROWTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2022

NOTE 2---LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has financial assets of \$ \$27,285 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---RELATED PARTY

The department receives a significant portion of operating revenue from the African Methodist Episcopal Church finance department. Allocations received for the six months ended March 31, 2022 was \$36,648.

NOTE 4---SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure as of June 24, 2022, the date management evaluated such events. Subsequent events were evaluated through June 24, 2022, which is the date the financial statements were available to be issued.