

**Financial Statements**

**The For All Mankind Movement, Inc.**

**Years Ended December 31, 2022 (Audited)  
and 2021 (Unaudited)**

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Independent Auditor's Report

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

**Opinion**

We have audited 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, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The For All Mankind Movement, Inc. as of December 31, 2022, 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 The For All Mankind Movement, 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.

**Adoption of New Accounting Standard**

As discussed in Note A to the financial statements, The For All Mankind Movement, Inc. adopted FASB Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

**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 The For All Mankind Movement, 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 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.

Independent Auditor's Report--Continued

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 The For All Mankind Movement, 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 The For All Mankind Movement, 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.

***Report on Prior Year Reviewed Financial Statements***

We have previously reviewed the financial statements of The For All Mankind Movement, Inc. as of and for the year ended December 31, 2021, and our report dated September 26, 2022, stated that we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements taken as a whole.

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

Raleigh, North Carolina  
September 6, 2023

Statements of Financial Position

**The For All Mankind Movement, Inc.**

December 31, 2022 and 2021

	<u>2022</u> (Audited)	<u>2021</u> (Unaudited)
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 2,960,723	\$ 1,860,416
Accounts receivable	275	14,667
TOTAL CURRENT ASSETS	<u>2,960,998</u>	<u>1,875,083</u>
Fixed assets, net of depreciation	22,234	25,655
Operating lease right-of-use assets	<u>263,097</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 3,246,329</u>	<u>\$ 1,900,738</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 3,835	\$ 63
Deferred rent	-	34,584
Operating lease liabilities, current portion	<u>55,555</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>59,390</u>	<u>34,647</u>
Operating lease liabilities, noncurrent portion	<u>239,905</u>	<u>-</u>
TOTAL LIABILITIES	<u>299,295</u>	<u>34,647</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Available for operations	1,523,055	908,174
Board-designated for FAMM team members	165,974	148,952
Fixed assets, net	<u>22,234</u>	<u>25,655</u>
Total without donor restrictions	<u>1,711,263</u>	<u>1,082,781</u>
With donor restrictions	<u>1,235,771</u>	<u>783,310</u>
TOTAL NET ASSETS	<u>2,947,034</u>	<u>1,866,091</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,246,329</u>	<u>\$ 1,900,738</u>

See accompanying independent auditor's report and notes to financial statements.

Statement of Activities

**The For All Mankind Movement, Inc.**

Year Ended December 31, 2022 (Audited)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>SUPPORT, REVENUE, AND OTHER INCOME:</b>			
Contributions	\$ 2,342,419	\$ 1,642,204	\$ 3,984,623
Other income	6,250		6,250
Net assets released from purpose restrictions	<u>1,189,743</u>	<u>(1,189,743)</u>	<u>-</u>
<b>TOTAL SUPPORT, REVENUE, AND OTHER INCOME</b>	<u><b>3,538,412</b></u>	<u><b>452,461</b></u>	<u><b>3,990,873</b></u>
<b>EXPENSES:</b>			
Program services:			
Missions and ministry	2,398,656		2,398,656
Support services:			
Management and general	362,699	-	362,699
Fundraising	<u>148,575</u>	<u>-</u>	<u>148,575</u>
Total support services	<u>511,274</u>	<u>-</u>	<u>511,274</u>
<b>TOTAL EXPENSES</b>	<u><b>2,909,930</b></u>	<u><b>-</b></u>	<u><b>2,909,930</b></u>
<b>CHANGE IN NET ASSETS</b>	<b>628,482</b>	<b>452,461</b>	<b>1,080,943</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>1,082,781</b></u>	<u><b>783,310</b></u>	<u><b>1,866,091</b></u>
<b>NET ASSETS, END OF YEAR</b>	<u><u><b>\$ 1,711,263</b></u></u>	<u><u><b>\$ 1,235,771</b></u></u>	<u><u><b>\$ 2,947,034</b></u></u>

See accompanying independent auditor's report and notes to financial statements.

Statement of Activities

**The For All Mankind Movement, Inc.**

Year Ended December 31, 2021 (Unaudited)

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND OTHER INCOME:</b>			
Contributions	\$ 1,987,490	\$ 1,001,396	\$ 2,988,886
Net assets released from purpose restrictions	660,333	(660,333)	-
<b>TOTAL SUPPORT, REVENUE, AND OTHER INCOME</b>	<b><u>2,647,823</u></b>	<b><u>341,063</u></b>	<b><u>2,988,886</u></b>
<b>EXPENSES:</b>			
Program services:			
Missions and ministry	1,619,289		1,619,289
Support services:			
Management and general	343,745	-	343,745
Fundraising	<u>117,708</u>	<u>-</u>	<u>117,708</u>
Total support services	<u>461,453</u>	<u>-</u>	<u>461,453</u>
<b>TOTAL EXPENSES</b>	<b><u>2,080,742</u></b>	<b><u>-</u></b>	<b><u>2,080,742</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>567,081</b>	<b>341,063</b>	<b>908,144</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>515,700</u></b>	<b><u>442,247</u></b>	<b><u>957,947</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 1,082,781</u></b>	<b><u>\$ 783,310</u></b>	<b><u>\$ 1,866,091</u></b>

See accompanying independent auditor's report and notes to financial statements.

Statement of Functional Expenses

**The For All Mankind Movement, Inc.**

Year Ended December 31, 2022 (Audited)

	Program	Support Services			Total
	Services	Management	Fundraising	Support	
	Missions	and General		Services	Total
	and Ministry				Expenses
<b>OPERATING EXPENSES:</b>					
Accounting	\$	\$ 21,528	\$	\$ 21,528	\$ 21,528
Bank and on-line donation fees	32,460	2,272	23,594	25,866	58,326
Employer payroll taxes	31,271	6,849	85	6,934	38,205
Professional	51,212	708		708	51,920
Computer, equipment, software, and media	26,503	23,950		23,950	50,453
Postage and shipping	7,406	156		156	7,562
Office rent and utilities	1,996	98,316		98,316	100,312
Office supplies and furnishings	103	19,507		19,507	19,610
Marketing	11,258			-	11,258
Gifts	4,353			-	4,353
Total operating expenses, before depreciation	<u>166,562</u>	<u>173,286</u>	<u>23,679</u>	<u>196,965</u>	<u>363,527</u>
<b>STAFF EXPENSES:</b>					
Salary	590,704	149,200	58,982	208,182	798,886
Housing allowance	158,188	10,500	31,343	41,843	200,031
Staff expense and benefits	48,310	4,708	8,096	12,804	61,114
Contract labor	16,115			-	16,115
Total staff expenses	<u>813,317</u>	<u>164,408</u>	<u>98,421</u>	<u>262,829</u>	<u>1,076,146</u>
<b>MISSION AND OTHER EXPENSES:</b>					
Grants and other assistance	417,473			-	417,473
Compassion kits	225,809			-	225,809
Other mission expenses	479,209			-	479,209
Conference expenses	-			-	-
Team development	78,977		25,541	25,541	104,518
Travel	217,309	6,884	934	7,818	225,127
Total other expenses	<u>1,418,777</u>	<u>6,884</u>	<u>26,475</u>	<u>33,359</u>	<u>1,452,136</u>
Depreciation	-	18,121	-	18,121	18,121
<b>TOTAL EXPENSES</b>	<u>\$ 2,398,656</u>	<u>\$ 362,699</u>	<u>\$ 148,575</u>	<u>\$ 511,274</u>	<u>\$ 2,909,930</u>

See accompanying independent auditor's report and notes to financial statements.



Statement of Functional Expenses

**The For All Mankind Movement, Inc.**

Year Ended December 31, 2021 (Unaudited)

	Program Services		Support Services		Total Expenses
	Missions and Ministry	Management and General	Fundraising	Total Support Services	
<b>OPERATING EXPENSES:</b>					
Accounting	\$	\$ 17,519	\$	\$ 17,519	\$ 17,519
Bank and on-line donation fees	32,227	2,361	18,865	21,226	53,453
Employer payroll taxes	22,244	8,444		8,444	30,688
Professional	6,199	7,622		7,622	13,821
Computer, equipment, software, and media	21,824	19,001	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		12,122	12,747
Marketing	9,103		830	830	9,933
Gifts	13,507	4,978		4,978	18,485
Total operating expenses, before depreciation	<u>111,185</u>	<u>175,397</u>	<u>19,979</u>	<u>195,376</u>	<u>306,561</u>
<b>STAFF EXPENSES:</b>					
Salary	430,142	115,600	56,270	171,870	602,012
Housing allowance	130,063	10,500	28,350	38,850	168,913
Staff expense and benefits	41,378	4,773	7,947	12,720	54,098
Contract labor	5,540	14,268		14,268	19,808
Total staff expenses	<u>607,123</u>	<u>145,141</u>	<u>92,567</u>	<u>237,708</u>	<u>844,831</u>
<b>MISSION AND OTHER EXPENSES:</b>					
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	3,852	480	4,332	141,938
Total other expenses	<u>900,981</u>	<u>3,852</u>	<u>5,162</u>	<u>9,014</u>	<u>909,995</u>
Depreciation	-	19,355	-	19,355	19,355
<b>TOTAL EXPENSES</b>	<u>\$ 1,619,289</u>	<u>\$ 343,745</u>	<u>\$ 117,708</u>	<u>\$ 461,453</u>	<u>\$ 2,080,742</u>

See accompanying independent auditor's report and notes to financial statements.

Statements of Cash Flows

**The For All Mankind Movement, Inc.**

Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
	(Audited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,080,943	\$ 908,144
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	18,121	19,355
Loss on disposal of fixed assets	-	33
Changes in operating assets and liabilities:		
Accounts receivable	14,392	(14,667)
Operating lease right-of-use assets	49,989	-
Accounts payable	3,772	(46)
Deferred rent	-	(645)
Operating leases liabilities	<u>(52,210)</u>	<u>-</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,115,007</u>	<u>912,174</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of fixed assets	<u>(14,700)</u>	<u>(8,332)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(14,700)</u>	<u>(8,332)</u>
<b>NET CHANGE IN CASH</b>	1,100,307	903,842
Cash, beginning of year	<u>1,860,416</u>	<u>956,574</u>
<b>CASH, END OF YEAR</b>	<u>\$ 2,960,723</u>	<u>\$ 1,860,416</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	\$ -	\$ -
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Decrease in deferred rent	\$ (34,584)	\$ -
Operating lease ROU assets obtained in exchange for operating lease liabilities	313,086	-

See accompanying independent auditor's report and notes to financial statements.

## Notes to Financial Statements

### **The For All Mankind Movement, Inc.**

Years Ended December 31, 2022 (Audited) and 2021 (Unaudited)

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

The Organization: The For All Mankind Movement, Inc. (the Organization/FAMM) 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.

FAMM is the sole General Member of Patronus Group, Inc., a Texas nonprofit corporation formed in February 2022 to act as a *supporting organization* entity. At December 31, 2022, Patronus Group, Inc. had no holdings and no activity to date.

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.

Adoption of FASB ASU 2016-02, *Leases (Topic 842)*: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which replaced existing lease accounting guidance. FASB ASC 842 is intended to provide enhanced transparency and comparability by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. The new guidance requires the Organization to continue to classify leases as either operating or finance leases, with classification affecting the pattern of expense recognition in the statement of activities. In addition, the new standard requires enhanced disclosures with regard to the amount, timing, and uncertainty of cash flows arising from leases.

FAMM adopted FASB ASC 842 using the optional transition method that allows the Organization to initially apply the new lease standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. As a result, reporting for the comparative period presented in the financial statements is in accordance with FASB ASC 840.

The Organization elected to adopt the package of practical expedients available under the transition guidance which allowed for the carryforward of prior conclusions related to: (i) whether any expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases and (iii) initial direct costs for existing leases. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term, as well as the practical expedient to not separate lease components from non-lease components for all leases.

FAMM also made an accounting policy election opting not to record leases with an initial term of 12 months or less on the statement of financial position. Related lease payments will instead be recognized in the statement of activities on a straight-line basis over the lease term.

Notes to Financial Statements--Continued

**The For All Mankind Movement, Inc.**

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

Adoption of FASB ASU 2016-02, Leases (Topic 842)--Continued: The adoption of FASB ASC 842 resulted in the following impact at January 1, 2022:

Operating lease right-of-use assets	\$ 313,086
Assets	<u>\$ 313,086</u>
Operating lease liabilities – current portion	\$ 52,210
Operating lease liabilities – noncurrent portion	295,460
Deferred rent (operating lease)	<u>(34,584)</u>
Liabilities	313,086
Net Assets	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 313,086</u>

The adoption of the standard resulted in a cumulative effect adjustment on net assets of \$0 at January 1, 2022, and it did not have a material impact on the statements of operations, functional expenses, or cash flows for 2022. Refer also to *Note F--Operating Leases*.

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, 2022 and 2021, net assets of \$165,974 and \$148,952, respectively, 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, 2022 and 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, 2022 and 2021; therefore, no deferred support is reported in the accompanying statements 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 2022 and 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 2022 and 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, 2022 and 2021.

Accounts Receivable: Accounts receivable at December 31, 2022 and 2021, consists of \$275 and \$14,667, respectively, 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
Software	3 years

Right-of-Use Assets/Lease Liabilities (since the adoption of FASB ASC 842): Upon commencement of a lease, the Organization (as lessee) determines its total lease payments required over the lease term (the noncancelable period of the lease and any option periods for which the Organization is reasonably certain to exercise its option). Lease payments generally include the following: fixed payments, less any lease incentives paid or payable to the lessee; variable lease payments that depend on an index or rate; and the exercise price of a reasonably certain option to purchase the underlying asset. The lease liability is recorded at the present value of the lease payments not yet paid. The discount rate is based on an estimate of the Organization's incremental borrowing rate, if the rate implicit in the lease cannot be readily determined. The related right-of-use (ROU) asset is recorded at cost and generally consists of the following: the amount of the measurement of the initial lease liability; any lease payments made to the lessor at or before the commencement date, minus any lease incentives received; and any initial direct costs incurred by the lessee.

For operating leases, the Organization recognizes a single lease cost calculated so that the remaining cost of the lease is allocated over the remaining lease term on a straight-line basis (unless another systematic basis is more representative of the benefit pattern). The remeasured right-of-use asset is generally carried at the amount of the remeasured lease liability, adjusted for cumulative prepaid or accrued rent if the lease payments are uneven throughout the lease term, unamortized lease incentives, unamortized initial direct costs, and any impairment of the ROU asset.

Notes to Financial Statements--Continued

**The For All Mankind Movement, Inc.**

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

For finance leases, right-of-use assets are recorded net of accumulated amortization, with amortization expense generally recognized on a straight-line basis over the lease term or the estimated useful life of the asset. Interest expense is recognized on the lease liability such that at all points during the lease, the lease liability reflects the present value of all remaining lease payments. The Organization had no finance leases in 2022 and no capital leases in 2021.

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 years ended December 31, 2022 and 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.

Fair Value of Financial Instruments: The carrying value of operating lease liabilities approximates the fair value of such based upon current market rates for instruments with similar terms and remaining maturities.

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 periods. Actual results could differ from those estimates.

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:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end (cash and receivables)	\$ 2,960,998	\$ 1,875,083
Less those unavailable for general expenditures within one year, due to:		
Board designations	(165,974)	(148,952)
Donor restrictions as to purpose	<u>(1,235,771)</u>	<u>(783,310)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,559,253</u>	<u>\$ 942,821</u>

Notes to Financial Statements--Continued

**The For All Mankind Movement, Inc.**

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 \$2,501,000 exceeded the federally insured limit at December 31, 2022. 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 was derived from the following sources for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Individuals	61%	50%
Churches	34%	35%
Foundations	5%	8%
Other	<u>0%</u>	<u>7%</u>
	<u>100%</u>	<u>100%</u>

Members of the Organization's Board of Directors contributed approximately \$501,400 and \$289,000 to the Organization in 2022 and 2021, respectively.

Contributions of approximately \$1,150,000 were recognized in December 2022 in connection with FAMM's launch of its 10X vision initiative. The Organization is striving to multiply its outreach TENFOLD over the next 5 years.

NOTE D--FIXED ASSETS

Fixed assets consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Vehicles	\$ 68,574	\$ 68,574
Equipment	13,033	13,033
Furniture	16,929	16,929
Software	<u>14,700</u>	<u>-</u>
Total fixed assets	113,236	98,536
Accumulated depreciation	<u>(91,002)</u>	<u>(72,881)</u>
Total fixed assets, net of depreciation	<u>\$ 22,234</u>	<u>\$ 25,655</u>

Depreciation expense totaled \$18,121 and \$19,355 for 2022 and 2021, respectively.

Notes to Financial Statements--Continued

**The For All Mankind Movement, Inc.**

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 years ended December 31:

	<u>2022</u>	<u>2021</u>
Conference	\$ -	\$ 10,146
Missions and ministry	<u>1,189,743</u>	<u>650,187</u>
	<u>\$ 1,189,743</u>	<u>\$ 660,333</u>

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

	<u>2022</u>	<u>2021</u>
Missions and ministry	<u>\$ 1,235,771</u>	<u>\$ 783,310</u>
	<u>\$ 1,235,771</u>	<u>\$ 783,310</u>

NOTE F--OPERATING LEASES

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. Additional rent payments are not determinable in advance and are not included in the measurement of lease assets and liabilities. The lease provides one five-year renewal option with rent to be based on market rates then in effect. At January 1, 2022 (the beginning of the period of adoption of ASC Topic 842) and on the date the accompanying financial statements were available to be issued, management was not reasonably certain that the Organization would exercise its option to extend the lease. Therefore, the term of the lease is limited to its initial term.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of December 31:

	<u>2022</u>
Operating lease right-of-use assets:	
Office space	\$ <u>263,097</u>
Total operating lease right-of-use assets	\$ <u>263,097</u>
Operating lease liabilities, current portion	\$ 55,555
Operating lease liabilities, noncurrent portion	<u>239,905</u>
Total operating lease liability	<u>\$ 295,460</u>

Prior to January 1, 2022, the Organization accounted for operating leases under ASC Topic 840 and recognized no assets or liabilities for such. Base rent expense in 2021 was recognized on a straight-line basis over the lease term. Deferred rent (a liability in the statement of financial position) results when cumulative base rent expense charged to operations exceeds the required base rent payments. Deferred rent totaled \$34,584 at December 31, 2021.

The following summarizes the operating lease costs included in the statements of functional expenses for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Office rent and utilities, includes:		
Base rent	\$ 60,519	\$ 60,498
Additional rent (pro rata share of variable costs)	<u>30,127</u>	<u>24,495</u>
Total operating lease costs	<u>\$ 90,646</u>	<u>\$ 84,993</u>



Notes to Financial Statements--Continued

**The For All Mankind Movement, Inc.**

NOTE F--OPERATING LEASES--Continued

The following summarizes cash flow information related to leases for the year ended December 31:

	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ (90,646)
Noncash investing and financing activities:	
Decrease in deferred rent	(34,584)
Operating lease ROU assets obtained in exchange for operating lease liabilities	313,086

Minimum lease payments required under the operating lease are as follows at December 31, 2022:

<u>Years Ending December 31:</u>	
2023	\$ 64,340
2024	65,938
2025	67,537
2026	69,137
2027	52,754
Thereafter	<u>-</u>
Total minimum lease payments (base rent)	319,706
Less: Interest	<u>(24,246)</u>
Present value of operating lease liabilities	<u>\$ 295,460</u>

The following summarizes the weighted average remaining lease term and discount rate for operating leases as of December 31, 2022:

Weighted Average Remaining Lease Term	4.75 years
Weighted Average Discount Rate	3.25 %

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, 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.

As foreign ministry and travel began again in 2021 and through 2022, the Organization continues to fulfill their mission and has exceeded pre-pandemic contributions through continued support from their donors.

At the date the financial statements were available to be issued, 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.

Notes to Financial Statements--Continued

**The For All Mankind Movement, Inc.**

NOTE H--SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 6, 2023, 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.