

A.G.C., Ltd.
(All God's Children)

Financial Statements

December 31, 2020

With Independent Auditors' Report

Independent Auditors' Report

To the Board of Directors
A.G.C., Ltd. (All God's Children)

We have audited the accompanying financial statements of A.G.C., Ltd. (All God's Children) (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of December 31, 2020, and the related statements of revenues collected, expenses paid, and change in net assets - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

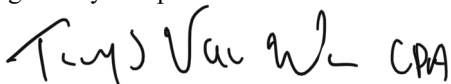
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of A.G.C., Ltd. (All God's Children) as of December 31, 2020, and its revenues collected, expenses paid, and change in net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note B.

Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Evenhouse & Co, P.C.
Oakbrook Terrace, Illinois
November 12, 2021

A.G.C., Ltd.
(All God's Children)

Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis

December 31, 2020

Assets

Current Assets:

Cash & cash equivalents (See Note)	\$ 732,676.40
Investments, at fair market value (See Note)	<u>677,006.22</u>
Total Current Assets	\$ 1,409,682.62
Total Assets	<u>\$ 1,409,682.62</u>

Liabilities and Net Assets

Current Liabilities:

State payroll taxes payable	\$ <u>69.72</u>
Total Current Liabilities	\$ 69.72
Total Liabilities	<u>\$ 69.72</u>

Net Assets:

Without Donor Restrictions (See Note)	\$ <u>1,409,612.90</u>
Total Net Assets	\$ 1,409,612.90
Total Liabilities and Net Assets	<u>\$ 1,409,682.62</u>

The accompanying notes are an integral part of these statements.

A.G.C., Ltd.
(All God's Children)

Statement of Revenues Collected, Expenses Paid, and Change in Net Assets
Modified Cash Basis

For the Year Ended December 31, 2020

Without Donor Restrictions

Revenues Collected :

Individuals & Organizations \$ 820,318.41

Total Revenues Collected \$ 820,318.41

Expenses Paid :

Program Service \$ 701,276.10

Supporting Services:

Management & General \$ 133,076.47

Fundraising 936.58

Total Supporting Services \$ 134,013.05

Total Expenses Paid \$ 835,289.15

Change in Net Assets from Operations \$ (14,970.74)

Nonoperating Activities :

Investment Income, Net of Investment Expenses
of \$2,794.16 \$ 21,954.44

Net Realized/Unrealized Gains/(Losses)
on Investments (See Note) 19,221.35

Total Nonoperating Activities \$ 41,175.79

Change in Net Assets \$ 26,205.05

Net Assets Without Donor Restrictions, Beginning of Year 1,383,407.85

Net Assets Without Donor Restrictions, End of Year \$ 1,409,612.90

The accompanying notes are an integral part of these statements .

A.G.C., Ltd.
(All God's Children)

Statement of Functional Expenses

Modified Cash Basis

For the Year Ended December 31, 2020

	Program Services				Supporting Services			Total
	Sponsorship, Support, & Education	Serve Projects	Special Projects	Program Services Total	Management & General	Fundraising	Supporting Services Total	
Hogar Support	\$ 80,000.00	\$ 0.00	\$ 0.00	\$ 80,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 80,000.00
Special Gifts	0.00	0.00	15,000.00	15,000.00	0.00	0.00	0.00	15,000.00
Staff	77,199.25	0.00	0.00	77,199.25	0.00	0.00	0.00	77,199.25
Trash Mountain Support	30,000.00	0.00	0.00	30,000.00	0.00	0.00	0.00	30,000.00
Point Orphanos Support	25,000.00	0.00	0.00	25,000.00	0.00	0.00	0.00	25,000.00
Red Viva Support	86,050.00	0.00	0.00	86,050.00	0.00	0.00	0.00	86,050.00
Young Life Honduras Support	13,500.00	0.00	0.00	13,500.00	0.00	0.00	0.00	13,500.00
Nelly's Support	74,180.00	0.00	0.00	74,180.00	0.00	0.00	0.00	74,180.00
Serve 2020	0.00	158,046.85	0.00	158,046.85	0.00	0.00	0.00	158,046.85
Subcontractors Expense	140,700.00	0.00	0.00	140,700.00	0.00	0.00	0.00	140,700.00
Telephone	0.00	0.00	0.00	0.00	2,907.83	0.00	2,907.83	2,907.83
Postage	0.00	0.00	0.00	0.00	0.00	290.00	290.00	290.00
Printing & Publications	0.00	0.00	0.00	0.00	0.00	646.58	646.58	646.58
Bank Charges	0.00	0.00	0.00	0.00	3,828.49	0.00	3,828.49	3,828.49
Legal & Professional	1,600.00	0.00	0.00	1,600.00	33,360.00	0.00	33,360.00	34,960.00
Board Expense	0.00	0.00	0.00	0.00	215.00	0.00	215.00	215.00
Insurance	0.00	0.00	0.00	0.00	3,438.50	0.00	3,438.50	3,438.50
Health Insurance	0.00	0.00	0.00	0.00	4,506.00	0.00	4,506.00	4,506.00
Salaries & Wages	0.00	0.00	0.00	0.00	76,006.20	0.00	76,006.20	76,006.20
Payroll Taxes	0.00	0.00	0.00	0.00	5,814.45	0.00	5,814.45	5,814.45
Membership Dues	0.00	0.00	0.00	0.00	3,000.00	0.00	3,000.00	3,000.00
Total	<u>\$528,229.25</u>	<u>\$158,046.85</u>	<u>\$ 15,000.00</u>	<u>\$701,276.10</u>	<u>\$133,076.47</u>	<u>\$ 936.58</u>	<u>\$134,013.05</u>	<u>\$835,289.15</u>

The accompanying notes are an integral part of these statements.

A.G.C., Ltd.
(All God's Children)
Statement of Cash Flows
Modified Cash Basis

For the Year Ended December 31, 2020

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows From Operating Activities:

Change in Net Assets Without Donor Restrictions \$ 26,205.05

Adjustments to Reconcile Change in Net Assets to

Net Cash Provided by Operating Activities:

Realized gain on sale of investments \$ (83,289.53)

Unrealized loss on investments 64,068.18

Accrued liabilities 7.93

Total Adjustments \$ (19,213.42)

Net Cash Provided by Operating Activities \$ 6,991.63

Cash Flows From Investing Activities:

Investment purchases \$ (679,272.24)

Proceeds from the sale of investments 662,816.78

Net Cash Used in Investing Activities \$ (16,455.46)

Change in Cash and Cash Equivalents \$ (9,463.83)

Cash and Cash Equivalents, Beginning of Year 742,140.23

Cash and Cash Equivalents, End of Year \$ 732,676.40

The accompanying notes are an integral part of these statements.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2020

Note A – Nature of Activities

A.G.C., Ltd. (a.k.a. All God's Children) (the Organization) is a Christian organization organized as a Michigan nonprofit corporation. The primary purpose of A.G.C., Ltd. is sponsorship of abandoned, orphaned, or disadvantaged children and adults, primarily in third world countries. The initial efforts of the Organization were directed toward the support of a children's home in Honduras, known as Hogar De Ninos Nazareth. Since approximately 1990, the Organization has been a primary sponsor of the home, providing financial and volunteer support for health care and medical supplies, construction of facilities, education, and wages for staff. The focus of the Organization has expanded to support other ministries in Honduras. These include support for additional orphanages, a residential facility for developmentally disabled adults, a school for developmentally disabled children, and a residential facility for sexually abused young women and their children. The Organization has supported both volunteer work teams to Honduras, as well as encouraging visits by Honduran students and staff to the United States for cultural and educational opportunities.

On February 22, 2020, the primary children's home that A.G.C., Ltd. was supporting in Honduras, known as Hogar De Ninos Nazareth established an Assembly and Board of Directors in Honduras to organize the children's home in accordance with Honduran law. The new Board of Directors and Assembly were not in favor of A.G.C., Ltd.'s active involvement in the funding and oversight of the children's home due to philosophical differences. The A.G.C., Ltd. Board of Directors voted to discontinue its funding of Hogar De Ninos Nazareth due to general discomfort with the operating practices at Hogar De Ninos Nazareth and their last support payment was January 28, 2020. The Organization has shifted the support to other ministries in Honduras.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

A.G.C., Ltd. prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than United States generally accepted accounting principles. Consequently, revenues are recognized when received rather than when earned, and expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2020

Note B – Summary of Significant Accounting Policies (continued)

Cash & Cash Equivalents

For purposes of these financial statements, the Organization considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short term maturities of those financial instruments. The Organization maintains cash balances in two institutions; at times, balances exceed the \$250,000.00 federally insured limit.

Estimates

The preparation of the financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Assets

A.G.C., Ltd. is required to report information regarding its financial position and activities according to two classes of net assets: with donor-imposed restrictions and without donor-imposed restrictions.

Net Assets Without Donor Restrictions are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of fees for services and related expenses associated with the core activities of the Organization. In addition to these exchange transactions, changes in this category of net assets include unrestricted cash and contributions, investments whose use is unrestricted, and property and equipment.

Net Assets With Donor Restrictions are subject to donor-imposed restrictions that will be met by actions of the Organization, the passage of time, or are to be maintained permanently by the Organization. Items that affect this category are gifts wherein donors stipulate the use of the contributions. These amounts are reclassified to net assets without donor restrictions when such restrictions are met or have expired. The Organization did not receive any contributions with donor-imposed restrictions as of December 31, 2020.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2020

Note B – Summary of Significant Accounting Policies (continued)

Investments

Investments in equity securities with readily determinable values and all debt securities are reported at fair value. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Discounts and premiums paid on the acquisition of investments are not reflected in investment income by amortization, but are reflected as gains or losses on sale or redemption. Net realized and unrealized gains and losses are reported in investment income. Net realized gains or losses upon sales of securities are based on the fair market values at the beginning of the year and the fair market values at the date of sale. Fair market values for marketable securities traded on national securities exchanges are determined by the last sales price on the last business day of the year. Donated investments are recorded at the fair value on the date of donation and thereafter carried in accordance with the above provisions.

Operating Measure

Operating results in the statement of revenues collected, expenses paid, and change in net assets – modified cash basis reflects all transactions increasing or decreasing net assets except those items associated with investment income and the net realized/unrealized gains and losses on those investments.

Functional Allocation of Expenses

Expenses are recorded when paid. The costs of providing various program and supporting activities have been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, expenses have been allocated among the programs and supporting services benefited based on estimates made by management.

Compensated Absences

The Organization does not accrue vacation time.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2020

Note B – Summary of Significant Accounting Policies (continued)

Support

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor-imposed restrictions. Contributions of assets other than cash are recorded at estimated fair value. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor-imposed restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, with donor-imposed restricted net assets are reclassified to without donor-imposed restricted net assets and reported in the statement of activities as net assets released from restrictions.

Gifts of property and equipment and other long-lived assets are reported as revenue and net assets without donor-imposed restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor-imposed restrictions.

All other income is recorded when received.

The Organization receives its support from individual donor/sponsors, churches, private special donations from individuals and businesses, and fundraising activities. Volunteers conduct all fundraising activities. The Organization solicits sponsors primarily through churches and other personal contacts. They also distribute newsletters to donors on a regular basis requesting continued or increased support.

A substantial number of unpaid volunteers, including members of the Board of Directors, have made significant contributions of their time to the Organization's policy-making, program and support functions. The value of these contributed services has not been recognized in the financial statements as they do not meet the definition of skilled services under the applicable accounting standards.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2020

Note B – Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The Organization follows the recommendations of the Financial Accounting Standards Board (“FASB”) in its Accounting Standards Codification (“ASC”) 820-10, Fair Value Measurements. Under FASB ASC 820-10, the Organization is required to report investments at fair market value. FASB ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs that may be used to measure fair value:

Level 1 – Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 – Level 2 inputs generally are available indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 – Level 3 inputs are valuations derived from valuation techniques in which one or more significant value drivers are unobservable. All Level 3 assets are carried at fair value based on estimates using appropriate valuation techniques such as the market approach, the income approach and finally the cost approach.

There have been no changes in the valuation techniques used by the Organization during the year ended December 31, 2020.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2020

Note B – Summary of Significant Accounting Policies (continued)

Income Tax Status

A.G.C., Ltd. is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, except for taxes pertaining to unrelated business income, if any. The Organization has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The Organization did not have any taxable unrelated business income during the year ended December 31, 2020. The Organization has not been examined by any major tax jurisdiction; therefore, all eligible years are subject to examination.

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Examples of tax positions include the tax-exempt status of the Organization and the continued tax-exempt status of various positions related to the potential sources of unrelated business taxable income (UBTI). At December 31, 2020, there were no unrecognized tax benefits identified or recorded as liabilities.

Subsequent Events

Management has evaluated subsequent events through November 12, 2021, the date the financial statements were available to be issued.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2020

Note C – Investments

Investments as of December 31, 2020, are as follows:

	<u>Original Cost</u>	<u>Fair Market Value</u>
Barnabas Income Fund	\$ 669,833.40	\$ 677,006.22
Total	<u>\$ 669,833.40</u>	<u>\$ 677,006.22</u>

Investments are held by Barnabas Foundation. All investments are available for sale. A.G.C., Ltd. had \$64,068.18 of unrealized losses and \$83,289.53 of realized gains during 2020. Investment expenses totaled \$2,794.16 and have been netted against dividend, interest and capital gain income. Proceeds from the available for sale investment securities during the year ended December 31, 2020 totaled \$662,816.78.

Fair values of assets measured on a recurring basis at December 31, 2020, are as follows:

<u>December 31, 2020</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Cash Fund	\$ 76,542.85	\$ 76,542.85	\$ -0-
Barnabas Income Fund			
Cash Fund	\$ 2,579.27	\$ 2,579.27	\$ -0-
Core Fixed Income	283,745.23	-0-	283,745.23
Oppty. Fixed Inc. Fund	123,463.22	-0-	123,463.22
Global Equity Fund	76,707.10	-0-	76,707.10
Private Credit Fund	26,942.17	-0-	26,942.17
Global Multi-Asset Fund	31,319.41	-0-	31,319.41
Inflation Linked Sec.	<u>132,249.82</u>	<u>-0-</u>	<u>132,249.82</u>
Total Barnabas Income Fund	<u>\$ 677,006.22</u>	<u>\$ 2,579.27</u>	<u>\$ 674,426.95</u>
Total	<u>\$ 753,549.07</u>	<u>\$ 79,122.12</u>	<u>\$ 674,426.95</u>

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2020

Note D – Liquidity and Availability of Financial Assets

A.G.C., Ltd. is dependent on charitable contributions from the general public. Failure to obtain donations from existing donors or the failure to attract new donors would significantly impact the Organization's ability to support individuals and organizations from third world countries.

The following reflects the Organization's fiscal assets as of the statement of assets, liabilities, and net assets – modified cash basis date, reduced by amounts not available for general use within one year of the statement of assets, liabilities, and net assets – modified cash basis date.

	<u>2020</u>
Current assets, excluding non-financial assets	\$ 1,409,682.62
Subtract: board-designated operating reserves	<u>0.00</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,409,682.62</u>

Note E – Net Assets Without Donor Restrictions

The Board of Directors has not established an operating reserve in the event of financial distress or an immediate liquidity need due to the nature of the Organization. The table below includes information on the amounts included in the Organization's net assets:

	<u>2020</u>
Net assets without donor restrictions:	
Undesignated	\$ 1,409,612.90
Operating Reserve	<u>0.00</u>
Total	<u>\$ 1,409,612.90</u>