

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

Financial Statements

December 31, 2022

With Independent Auditor's Report

Independent Auditor's Report

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

Opinion

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, 2022, 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.

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, 2022, 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 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 A.G.C., Ltd. (All God's Children) 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.

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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note B, and for 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 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.

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

A handwritten signature in black ink that reads "Benjamin D. Myer, CPA". The signature is written in a cursive style with a large, stylized initial "B".

Everhouse & Co., P.C.
Oakbrook Terrace, IL
November 6, 2023

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

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

December 31, 2022

Assets

Current Assets:

Cash & Cash Equivalents (See Note)	\$ 710,358.15
Investments, at fair market value (See Note)	610,289.40

Total Current Assets	<u>\$ 1,320,647.55</u>
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Total Assets	<u><u>\$ 1,320,647.55</u></u>
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Liabilities and Net Assets

Current Liabilities:	<u>\$ -</u>
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Total Current Liabilities	<u>\$ -</u>
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Total Liabilities	<u>\$ -</u>
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Net Assets:

Without Donor Restrictions (See Note)	<u>\$ 1,320,647.55</u>
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Total Net Assets	<u>\$ 1,320,647.55</u>
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Total Liabilities and Net Assets	<u><u>\$ 1,320,647.55</u></u>
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The accompanying notes are an integral part of these financial 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, 2022

Without Donor Restrictions

Revenues Collected:

Individuals & Organizations \$ 861,435.64

Total Revenues Collected \$ 861,435.64

Expenses Paid:

Program Services \$ 633,787.65

Supporting Services:

Management & General \$ 141,183.56

Fundraising 909.33

Total Supporting Services \$ 142,092.89

Total Expenses Paid \$ 775,880.54

Change in Net Assets from Operations \$ 85,555.10

Nonoperating Activities:

Investment Income - Net of Investment Expenses
of \$2,841.73 \$ 5,978.04

Net Realized/Unrealized Gains/(Losses)
on Investments (See Note) (90,545.96)

Total Nonoperating Activities \$ (84,567.92)

Change in Net Assets \$ 987.18

Net Assets Without Donor Restrictions, Beginning of Year 1,319,660.37

Net Assets Without Donor Restrictions, End of Year \$ 1,320,647.55

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

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

Statement of Functional Expenses
Modified Cash Basis

For the Year Ended December 31, 2022

	Program Services				Supporting Services			Total
	Sponsorship, Support, & Education	Serve Projects	Special Projects	Program Services Total	Management & General	Fundraising	Supporting Services Total	
Point Orphanos Support	\$ 128,000.00	\$ -	\$ -	\$ 128,000.00	\$ -	\$ -	\$ -	\$ 128,000.00
Ukraine Relief	-	-	97,800.00	97,800.00	-	-	-	97,800.00
Partners Worldwide Support	95,000.00	-	-	95,000.00	-	-	-	95,000.00
Staff	61,552.00	-	-	61,552.00	-	-	-	61,552.00
ASJ Support	60,000.00	-	-	60,000.00	-	-	-	60,000.00
Nelly's Support	60,000.00	-	-	60,000.00	-	-	-	60,000.00
Serve 2022	-	39,485.65	-	39,485.65	-	-	-	39,485.65
Hogar Support	28,890.00	-	-	28,890.00	-	-	-	28,890.00
Trash Mountain Support	25,000.00	-	-	25,000.00	-	-	-	25,000.00
ACIFEA Support	24,000.00	-	-	24,000.00	-	-	-	24,000.00
World Orphan Fund Support	12,400.00	-	-	12,400.00	-	-	-	12,400.00
Red Viva Support	1,000.00	-	-	1,000.00	-	-	-	1,000.00
Subcontractors Expense	660.00	-	-	660.00	-	-	-	660.00
Salaries & Wages	-	-	-	-	76,006.24	-	76,006.24	76,006.24
Legal & Professional	-	-	-	-	36,660.00	-	36,660.00	36,660.00
Health Insurance	-	-	-	-	7,126.90	-	7,126.90	7,126.90
Bank Charges	-	-	-	-	7,021.62	-	7,021.62	7,021.62
Payroll Taxes	-	-	-	-	5,814.48	-	5,814.48	5,814.48
Insurance	-	-	-	-	3,403.00	-	3,403.00	3,403.00
Membership Dues	-	-	-	-	3,000.00	-	3,000.00	3,000.00
Telephone	-	-	-	-	2,151.32	-	2,151.32	2,151.32
Postage	-	-	-	-	-	652.15	652.15	652.15
Printing & Publications	-	-	-	-	-	257.18	257.18	257.18
Total	\$ 496,502.00	\$ 39,485.65	\$ 97,800.00	\$ 633,787.65	\$ 141,183.56	\$ 909.33	\$ 142,092.89	\$ 775,880.54

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

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

Statement of Cash Flows
Modified Cash Basis

For the Year Ended December 31, 2022

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows From Operating Activities:

Change in Net Assets Without Donor Restrictions \$ 987.18

Adjustments to Reconcile Change in Net Assets to

Net Cash Provided by Operating Activities:

Realized loss on sale of investments \$ 129.12

Unrealized loss on investments 90,416.84

Total Adjustments \$ 90,545.96

Net Cash Provided by Operating Activities \$ 91,533.14

Cash Flows From Investing Activities:

Investment purchases \$ (8,070.56)

Proceeds from the sale of investments 1,565.57

Net Cash Used in Investing Activities \$ (6,504.99)

Change in Cash and Cash Equivalents \$ 85,028.15

Cash and Cash Equivalents, Beginning of Year 625,330.00

Cash and Cash Equivalents, End of Year \$ 710,358.15

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

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

Notes to the Financial Statements

December 31, 2022

Note A – Nature of Activities

A.G.C., Ltd. (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. Since approximately 1990 the Organization's efforts were directed toward providing financial and volunteer support for health care and medical supplies, construction of facilities, education, and wages for staff in Honduras. The focus of the Organization has expanded to support multiple ministries in the United States, Honduras, and Ukraine including 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.

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.

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.

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

Notes to the Financial Statements

December 31, 2022

Note B – Summary of Significant Accounting Policies (continued)

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, 2022.

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.

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

Notes to the Financial Statements

December 31, 2022

Note B – Summary of Significant Accounting Policies (continued)

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.

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, 2022

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. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that management can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

There have been no changes in the valuation techniques used by the Organization during the year ended December 31, 2022.

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

Notes to the Financial Statements

December 31, 2022

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, 2022. 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, 2022, there were no unrecognized tax benefits identified or recorded as liabilities.

Subsequent Events

Management has evaluated subsequent events through November 6, 2023, the date the financial statements were available to be issued.

Note C – Investments

Investments as of December 31, 2022, are as follows:

	<u>Original Cost</u>	<u>Fair Market Value</u>
Barnabas Income Fund	\$ <u>702,309.01</u>	\$ <u>610,289.40</u>
Total	\$ <u>702,309.01</u>	\$ <u>610,289.40</u>

Investments are held by Barnabas Foundation. All investments are available for sale. A.G.C., Ltd. had \$90,416.84 of unrealized losses and \$129.12 of realized losses during 2022. Investment expenses totaled \$2,841.73 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, 2022, totaled \$1,565.57.

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

Notes to the Financial Statements

December 31, 2022

Note C – Investments (continued)

Fair values of assets measured on a recurring basis at December 31, 2022, are as follows:

<u>December 31, 2022</u>	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Cash Fund	\$ 70,452.20	\$ 70,452.20	\$ -0-
Barnabas Income Fund			
Cash Fund	\$ 10,048.29	\$ 10,048.29	\$ -0-
Core Fixed Income	298,762.50	-0-	298,762.50
Oppt. Fixed Inc. Fund	130,476.30	-0-	130,476.30
Global Equity Fund	79,997.57	-0-	79,997.57
Private Credit Fund	23,051.36	-0-	23,051.36
Inflation Linked Sec.	53,805.42	-0-	53,805.42
Short Dur. Fixed Income	14,147.96	-0-	14,147.96
Total Barnabas Income Fund	<u>\$ 610,289.40</u>	<u>\$ 10,048.29</u>	<u>\$ 600,241.11</u>
Total	<u>\$ 680,741.60</u>	<u>\$ 80,500.49</u>	<u>\$ 600,241.11</u>

Note D – 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>2022</u>
Net assets without donor restrictions:	
Undesignated	\$ 1,320,647.55
Operating Reserve	0.00
Total	<u>\$ 1,320,647.55</u>

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

Notes to the Financial Statements

December 31, 2022

Note E – 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>2022</u>
Current assets, excluding non-financial assets	\$ 1,320,647.55
Subtract: board-designated operating reserves	<u>0.00</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,320,647.55</u></u>