

Connectional Lay Organization of A.M.E.

Audit Report

March 31, 2018

EDWARD RICHARDSON, JR., C.P.A.

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May 22, 2018

Independent Auditor's Report

Connectional Lay Organization
African Methodist Episcopal Church
3200 NW 67th Place
Gainesville, FL 32653

I have audited the accompanying statement of financial position of Connectional Lay Organization African Methodist Episcopal Church as of March 31, 2018, and the related statements of activities and cash flows for the years then ended, and the supplementary information, which is presented for supplementary analysis purposes only. These financial statements are the responsibility of the Connectional Lay Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material aspects, the statement of financial position of Connectional Lay Organization African Methodist Episcopal Church as of March 31, 2018, and the statement of activities and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Edward Richardson Jr. CPA

Edward Richardson Jr., CPA

**Connectional Lay Organization
African Methodist Episcopal Church**

**STATEMENT OF FINANCIAL POSITION
March 31, 2018**

ASSETS

Current Assets

Checking - General Fund	\$ 121,091	
Checking - Convention Account	10,248	
Total Current Assets		\$ 131,339

Fixed Assets

Equipment	2,410	
Less Accumulated depreciation	<u>(2,410)</u>	
Net Fixed Assets		<u>-</u>

TOTAL ASSETS **\$ 131,339**

The footnotes are an integral part of the financial statements.

Connectional Lay Organization
African Methodist Episcopal Church

STATEMENT OF FINANCIAL POSITION

March 31, 2018

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable \$ -

Total Current Liabilities \$ -

Long-Term Liabilities

Total Liabilities -

NET ASSETS

Unrestricted 121,771

Restricted 9,568

Total Net Assets 131,339

TOTAL LIABILITIES AND NET ASSETS \$ 131,339

The footnotes are an integral part of the financial statements.

**Connectional Lay Organization
African Methodist Episcopal Church**

STATEMENTS OF ACTIVITIES

12 Months Ended
Mar. 31, 2018

CHANGES IN UNRESTRICTED NET ASSETS

General Fund Revenues

Bank Transfers	\$ 382,378
AMEC Allocation	194,964
Disaster Relief	998
Ex Bd Registration	9,510
Miscellaneous	350
We Speak Subscription	75
Biennial Income	463,905
Study Guide	6,115
Recruitment Manual	530
Offering	1,593
Interest	<u>4</u>
Total Unrestricted Revenues	\$ 1,060,422

General Fund Expenditures

Stipends	44,921
Bank Transfers	382,378
President's Expense	19,326
Executive Board Expenses/Travel	123,552
Misc Expenses	5,066
Supplies	8,375
Printing	2,136
Secretarial Expense	1,200
Audit Fees	3,764
Disaster Relief	2,500
Donation	2,795
We Speak Expense	2,060
Biennial Expense	563,346
Bank Fees	624
Rental Unit Expense	690
Reimbursements	29,332
Postage	450
Web Maintenance	1,591

The footnotes are an integral part of the financial statements.

**Connectional Lay Organization
African Methodist Episcopal Church**

STATEMENTS OF ACTIVITIES

Security	18,000
Data Base	499
Registration	1,150
Mail Box Rental	115
Refund	150
Interpreter	1,065
Total General Expenditures	<u>\$ 1,215,085</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>\$ (154,663)</u>

The footnotes are an integral part of the financial statements.

**Connectional Lay Organization
African Methodist Episcopal Church**

STATEMENTS OF ACTIVITIES

	12 Months Ended <u>Mar. 31, 2018</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (154,663)
NET ASSETS AT BEGINNING OF PERIOD	286,003
PRIOR PERIOD ADJUSTMENT	<u>(1)</u>
NET ASSETS AT END OF PERIOD	<u>\$ 131,339</u>

The footnotes are an integral part of the financial statements.

**Connectional Lay Organization
African Methodist Episcopal Church**

STATEMENT OF CASH FLOWS
For the Twelve Months Ended March 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (loss)	\$ (154,664)
Adjustment to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	-
Prior Year Adjustments	-
Change in assets and liabilities :	
Accounts payable	<u>-</u>
Cash provided by (used in) operating activities	(154,664)

CASH FLOWS FROM INVESTING ACTIVITIES

CASH FLOWS FROM FINANCING ACTIVITIES

INCREASE (DECREASE) IN NET ASSETS	(154,664)
Cash at beginning of period	<u>286,003</u>
CASH AT END OF YEAR	<u>\$ 131,339</u>

The footnotes are an integral part of the financial statements.

**CONNECTIONAL LAY ORGANIZATION
AFRICAN METHODIST EPISCOPAL CHURCH
NOTES TO FINANCIAL STATEMENTS**

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT POLICIES

Nature of Activities

The Connectional Lay Organization (CLO) is a department of the African Methodist Episcopal Church (a nonprofit organization). Its purpose is to organize and train the laity of the African Methodist Church so that each lay person may utilize to the maximum the abilities and skills granted by God, in assisting with the improvement and extension of God's kingdom, and creating happiness, peace, and harmony among its members. The CLO is supported primarily through contributions from the AME Church, biennial convention registration fees, and various other sources of income.

Basis of Accounting

The financial statements of the CLO have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in the Statement of Financial Accounting Standards (SAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS 117, the church is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

Revenue Recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

**CONNECTIONAL LAY ORGANIZATION
AFRICAN METHODIST EPISCOPAL CHURCH
NOTES TO FINANCIAL STATEMENTS (Continued)**

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

Contributed Services

The CLO receives various amounts of services donated by its members in carrying out the CLO's ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

Income Taxes

The AME Church, including all of its components, is exempt from federal and state income taxes under Internal Revenue Code Section 501 ©(3).

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

NOTE B – CASH

The total cash held by the CLO at March 31, 2017 was \$286,003. All of the monies invested by the CLO were insured provided by the federal government.

NOTE C – RESTRICTED NET ASSETS

Temporarily restricted net assets were comprised of \$9,568 held on behalf of the AME V-Alert.

NOTE D – CONCENTRATIONS

The CLO receives greater than 56% of its annual operational revenues from the Connectional Church of the AME.

NOTE E – RELATED PARTY

The CLO is a department of the African Methodist Episcopal Church. Each year the CLO is allocated \$194,964 by the African Methodist Episcopal Church.

**CONNECTIONAL LAY ORGANIZATION
AFRICAN METHODIST EPISCOPAL CHURCH
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE F – PRIOR YEAR ADJUSTMENT

The amount of (\$1.00) represents errors in the prior period.

NOTE G – SUBSEQUENT EVENTS

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through May 31, 2018, which is the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

**Connectional Lay Organization
African Methodist Episcopal Church**

STATEMENT OF FINANCIAL POSITION
For the Years Ended March 31, 2018 and March 31, 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets		
Checking - General Fund	\$ 121,091	\$ 277
Checking - Convention Account	10,248	48,461
Checking - General Fund II	<u>-</u>	<u>237,265</u>
Total Current Assets	131,339	286,003
Fixed Assets		
Equipment	2,410	2,410
Less accumulated depreciation	<u>(2,410)</u>	<u>(2,410)</u>
Net Fixed Assets	-	-
TOTAL ASSETS	<u>\$ 131,339</u>	<u>\$ 286,003</u>

**Connectional Lay Organization
African Methodist Episcopal Church**

**STATEMENT OF FINANCIAL POSITION
For the Years Ended March 31, 2018 and March 31, 2017**

LIABILITIES AND NET ASSETS

	<u>2018</u>	<u>2017</u>
Current Liabilities		
Accounts Payable	\$ -	\$ -
Total Current Liabilities	-	-
Long-Term Liabilities		
Total Liabilities	-	-
NET ASSETS		
Unrestricted	121,771	276,435
Restricted	<u>9,568</u>	<u>9,568</u>
Total Net Assets	<u>131,339</u>	<u>286,003</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 131,339</u>	<u>\$ 286,003</u>

See accountant's report.

**Connectional Lay Organization
African Methodist Episcopal Church**

STATEMENTS OF ACTIVITIES

	12 Months Ended <u>Mar. 31, 2018</u>	12 Months Ended <u>Mar. 31, 2017</u>
<u>CHANGES IN UNRESTRICTED NET ASSETS</u>		
General Fund Revenues		
AMEC Allocation	\$ 194,964	\$ 194,964
Ex Bd Registration	9,510	19,700
Miscellaneous	350	193
We Speak Subscription	75	50
Biennial Income	463,905	-
Disaster Relief	998	-
Recruitment Manuals	530	2,095
Reimbursement	-	400
Offering	1,593	2,486
Study Guides	6,115	28,085
CLO Breakfast	-	95,266
Pins	-	133
Disaster Relief	-	2,747
By Laws	-	45
Interest	4	-
Bank Transer	382,378	-
Total Unrestricted Revenues	<u>\$ 1,060,422</u>	<u>\$ 346,164</u>
General Fund Expenditures		
Printing	2,136	1,794
Stipends	44,921	56,120
AME - Alert	-	5,000
Executive Board Expenses/Travel	19,326	85,870
General Board Travel	-	25,561
Training Travel	-	1,535
Secretarial Expense	1,200	-
Audit Fees	3,764	1,250
Disaster Relief	2,500	20,000
Reimbursements	29,332	-
Donation	-	12,650
We Speak Expense	2,060	19,439
Biennial Expense	563,346	14,000
Bank Fees	624	266
President's Expense	123,552	7,821

**Connectional Lay Organization
African Methodist Episcopal Church**

STATEMENTS OF ACTIVITIES

	12 Months Ended <u>Mar. 31, 2018</u>	12 Months Ended <u>Mar. 31, 2017</u>
Postage	450	-
YAR Expenses	-	422
Data Base	499	-
Recruitment	-	2,207
Refunds	150	-
Miscellaneous travel	-	2,024
Convention Planner	-	1,500
Contributions/Donations	2,795	-
Miscellaneous	5,066	-
Web Maintenance	1,591	1,370
Security	18,000	-
Budget Team Travel	-	4,484
Rent	-	1,380
Surety Bond	-	257
Supplies	8,375	-
CLO Breakfast	-	39,146
Study Guide	-	-
Depreciation	-	345
Bank Transfer	382,378	-
Rental Unit Expense	690	-
Interpreter	1,065	-
Mail Box Rental	115	-
Registration	1,150	-
Total General Expenditures	<u>1,215,085</u>	<u>304,441</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u><u>\$ (154,663)</u></u>	<u><u>\$ 41,723</u></u>

**Connectional Lay Organization
African Methodist Episcopal Church**

STATEMENTS OF ACTIVITIES

	12 Months Ended <u>Mar. 31, 2018</u>	12 Months Ended <u>Mar. 31, 2017</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (154,663)	\$ 41,223
PRIOR PERIOD ADJUSTMENT	(1)	498
NET ASSETS AT BEGINNING OF PERIOD	<u>286,003</u>	<u>244,282</u>
NET ASSETS AT END OF PERIOD	<u>\$ 131,339</u>	<u>\$ 286,003</u>

**Connectional Lay Organization
African Methodist Episcopal Church**

STATEMENT OF CASH FLOWS
For the Twelve Months Ended March 31, 2018 and March 31, 2017

	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income (loss)	(154,664)	41,223
Adjustment to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	-	345
Prior Year Adjustments	-	498
Change in assets and liabilities :	-	
Accounts payable	-	-
	(154,664)	42,066
Cash provided by (used in) operating activities	(154,664)	42,066
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of fixed assets	-	-
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
INCREASE (DECREASE) IN CASH	(154,664)	42,066
Cash at beginning of period	286,003	243,937
CASH AT END OF YEAR	\$ 131,339	\$ 286,003