

The Council on Biblical Manhood and Womanhood, Inc.

**Financial Statements
(Reviewed)**

Years Ended December 31, 2018 and 2017

Smith Financial Services, PLLC
David L. Smith, CPA

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Independent Accountant's Review Report

To the Board of Directors and Management of
The Council on Biblical Manhood and Womanhood, Inc.

We have reviewed the accompanying financial statements of The Council on Biblical Manhood and Womanhood, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Smith Financial Services, PLLC

Louisville, Kentucky
September 30, 2019

**The Council on Biblical Manhood and Womanhood, Inc.
Statements of Financial Position
December 31, 2018 and 2017**

Assets

	2018	2017
Current Assets		
Cash	\$ 86,346	\$ 73,921
Investments	9,850	-
	96,196	73,921
Total current assets		
Property and Equipment	16,900	16,900
Website		
	16,900	16,900
Less accumulated amortization	13,067	8,544
	3,833	8,356
Total assets	\$ 100,029	\$ 82,277

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ 30	\$ 4,647
Accrued and withheld payroll taxes	35	424
Deferred revenue	-	22,000
	65	27,071
Total current liabilities		
Net Assets		
Without donor restrictions	99,964	55,206
	99,964	55,206
Total net assets		
Total liabilities and net assets	\$ 100,029	\$ 82,277

See Notes to Financial Statements and Independent Accountant's Review Report

The Council on Biblical Manhood and Womanhood, Inc.
Statements of Activities
Years Ended December 31, 2018 and 2017

	2018		2017	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
Revenues and Support:				
Contributions	\$ 224,295	\$ 22,000	\$ 230,753	\$ -
In-kind contributions	-	9,600	-	9,600
Conference	12,000	-	1,700	-
Miscellaneous sales and royalties	1,371	-	2,248	-
Investment income	63	-	-	-
Unrealized loss on investments	(212)	-	-	-
		Total		Total
	\$ 237,517	\$ 246,295	\$ 234,701	\$ 230,753
	31,600	9,600	9,600	(9,600)
	(31,600)	12,000	1,700	1,700
	-	1,371	2,248	-
	-	63	-	-
	-	(212)	-	-
	269,117	(212)	244,301	-
Net assets released from restrictions	237,517	31,600	234,701	9,600
	31,600	(31,600)	9,600	(9,600)
	-	-	-	-
Total revenues and support	269,117	269,117	244,301	244,301
Expenses:				
Program services	95,743	-	116,738	-
Management and general	62,498	-	63,090	-
Fund-raising	66,118	-	40,636	-
	224,359	-	220,464	-
Total expenses	224,359	-	220,464	-
Increase in net assets	44,758	-	23,837	-
Net assets at beginning of year	55,206	-	31,369	-
Net assets at end of year	\$ 99,964	\$ -	\$ 55,206	\$ -

See Notes to Financial Statements and Independent Accountant's Review Report

The Council on Biblical Manhood and Womanhood, Inc.
 Statements of Functional Expenses
 Years Ended December 31, 2018 and 2017

	2018			2017				
	Program Services	Management and general	Fund-raising	Total	Program Services	Management and general	Fund-raising	Total
Salaries and wages	\$ 41,825	\$ 41,575	\$ 39,725	\$ 123,125	\$ 27,916	\$ 43,091	\$ 26,266	\$ 97,273
Conferences and meetings	22,935	-	-	22,935	54,833	-	-	54,833
Payroll taxes	4,536	4,536	4,270	13,342	2,333	3,540	2,172	8,045
Travel and meals	644	1,287	9,648	11,579	674	1,264	1,275	3,213
Donated office space	4,800	4,800	-	9,600	4,800	4,800	-	9,600
Software licenses and fees	-	-	8,130	8,130	-	-	7,442	7,442
Printing and copying	5,059	1,516	1,516	8,091	6,724	541	541	7,806
Postage	4,891	612	612	6,115	2,033	254	254	2,541
Amortization	3,618	905	-	4,523	3,280	820	-	4,100
Professional fees	-	4,200	-	4,200	-	3,100	-	3,100
Supplies	1,701	364	365	2,430	5,896	1,263	1,263	8,422
Tuition benefit	442	884	441	1,767	-	-	-	3,642
Website maintenance	1,078	269	-	1,347	2,913	729	-	3,642
Miscellaneous	877	175	270	1,322	74	149	9	232
Memberships	1,283	-	-	1,283	1,438	-	-	1,438
Contract labor	1,236	-	-	1,236	1,860	160	560	2,580
Telephone	123	247	865	1,235	52	105	366	523
Advertising and promotion	486	243	81	810	1,692	846	282	2,820
Bank and credit card fees	-	640	-	640	-	1,185	-	1,185
Workers's compensation insurance	209	209	195	613	220	334	206	760
Interest	-	36	-	36	-	909	-	909
	<u>\$ 95,743</u>	<u>\$ 62,498</u>	<u>\$ 66,118</u>	<u>\$ 224,359</u>	<u>\$ 116,738</u>	<u>\$ 63,090</u>	<u>\$ 40,636</u>	<u>\$ 220,464</u>

See Notes to Financial Statements and Independent Accountant's Review Report

The Council on Biblical Manhood and Womanhood, Inc.
 Statements of Cash Flows
 Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash received from contributions	\$ 224,295	\$ 252,753
Cash received from conference ticket sales and registrations	12,000	1,700
Cash received from miscellaneous sales and royalties	1,371	2,248
Investment income received	63	-
Cash paid for payroll and payroll taxes	(136,856)	(105,570)
Cash paid to suppliers, vendors, subcontractors, etc.	(78,350)	(99,809)
Cash paid for interest	(36)	(909)
	<u>22,487</u>	<u>50,413</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	-	(6,900)
Purchase of investments	(10,062)	-
	<u>(10,062)</u>	<u>(6,900)</u>
Net cash used in investing activities		
Net increase in cash	12,425	43,513
Cash at beginning of year	<u>73,921</u>	<u>30,408</u>
Cash at end of year	<u>\$ 86,346</u>	<u>\$ 73,921</u>

See Notes to Financial Statements and Independent Accountant's Review Report

The Council on Biblical Manhood and Womanhood, Inc.
Notes to Financial Statements
December 31, 2018 and 2017
(See Independent Accountant's Review Report)

Note A

Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities:

The Council on Biblical Manhood and Womanhood, Inc. (the Council) is a not-for-profit organization that sets forth the teachings of the Bible regarding the complementary differences between men and women, created equally in the image of God, because these teachings are essential for obedience to scripture and for the health of the family and the Church. The Council conveys these teachings nationally and internationally through its website; conferences and meetings; and by selling and distributing books and pamphlets. The Council's business office is located in Louisville, Kentucky.

The Council's primary source of revenue and support are contributions from the public.

Summary of Significant Accounting Policies:

Basis of accounting:

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

Basis of presentation:

The Council reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of donor restrictions on use:

Without donor restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of the net assets without donor restrictions are the broad limits resulting from the nature of the Council, the environment in which it operates, the purposes specified in its organizational documents, its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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With donor restrictions

Net assets with donor restrictions are subject to donor-imposed restrictions. Most are temporary in nature and are generally available to support operations, such as those that will be met by the passage of time or other events specified by the donor. When the restriction expires, either through the passage of time or when the event specified by the donor occurs, these net assets are reclassified to net assets without donor restrictions. Other donor restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Cash and cash equivalents:

The Council considers cash equivalents to be any short-term investments with original maturities of three months or less, unless the investments are held for meeting restrictions for purchase of property and equipment or payment of long-term debt.

Investments:

Investments in marketable debt and equity securities with readily determinable market values are stated at fair value. Fair value is measured by Level 1 inputs, which are quoted market prices for identical assets in active markets that the Council has the ability to access.

Property and equipment:

Property and equipment are stated at cost if purchased.

Donations of property and equipment are recorded as contributions at estimated fair value on the date of the donation. Such donations are recorded as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are recorded as net assets with donor restrictions.

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Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Council reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Purchased and donated assets in excess of \$1,000 are capitalized and depreciated using the straight-line method over the estimated useful lives of the assets.

Deferred Revenue:

The Council conducts a conference every two years. Contributions are sometimes received from sponsors of the conference during the year previous to the year in which the conference is held. These contributions are not recorded as revenue when received since the sponsors receive advertising and other ancillary benefits in return for their payment. These amounts received are recorded as deferred revenue and will be recognized as revenue in the year in which the conference is held.

Contributions:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the absence or existence and nature of any donor restrictions.

Noncash contributions are recorded at the estimated fair value on the date of the donation.

Contributed services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Services that do not meet the above criteria are not recognized as revenues and are not reported in the financial statements.

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Functional expense allocation:

Directly identifiable expenses are charged to program services, management and general, or fund raising. Expenses related to more than one function are charged to the appropriate category based on the estimated percentage allocable to that category.

Advertising costs:

Advertising costs are charged to expense as incurred.

Compensated absences:

Employees are entitled to compensated absences depending on length of service and other factors. These costs are recognized when paid.

Income taxes:

The Council is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. In addition, the Council qualifies for the charitable contribution deduction and has been classified as an organization other than a private foundation under the applicable provisions of the Internal Revenue Code.

However, net income from certain activities not directly related to the Council's tax-exempt purpose is subject to taxation as unrelated business income. Management believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements, including any net income from activities that could be subject to taxation as unrelated business income. Accordingly, no provision for income taxes has been made in the financial statements.

**The Council on Biblical Manhood and Womanhood, Inc.
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Estimates:

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances. However, actual results could differ from those estimates and assumptions.

Note B Liquidity and Availability of Resources

Substantially all of the Council's net assets are available for general operating expenditures within one year. The Council has the ability to invest excess cash in readily marketable debt and equity securities and, if needed, to liquidate the securities to provide operating funds.

The total current assets amount of \$96,196 on the Statement of Financial Position represents financial assets available for general operating expenditures within one year of the balance sheet date. However, the financial assets attributable to investments could fluctuate due to changes in market values of the investments.

Note C Concentrations

The Council maintains a checking account at a financial institution located in Louisville, Kentucky. Deposits at this institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. During the normal course of business, deposits could exceed the insured amounts. There were no uninsured balances at December 31, 2018.

Approximately 47% and 40% of the Contributions amount reported on the Statement of Activities for the years ended December 31, 2018 and 2017, respectively, is from two donors in each year.

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Note D Investments

Investments are comprised of the following:

	Cost	Fair value	Unrealized gain (loss)
Equity mutual funds	\$ 3,878	\$ 3,655	(223)
Fixed income mutual funds	6,184	6,195	11
	\$ 10,062	\$ 9,850	\$ (212)

Note E In-Kind Donations

The Council occupies office space that is donated by a religious institution. Management estimates the fair value of this office space to be \$9,600 annually. This amount is included in the In-Kind Contributions caption on the Statements of Activities and the related expense is shown on the Statements of Functional Expenses.

Note F Subsequent Events

Management has evaluated subsequent events through September 30, 2019, the date the financial statements were available to be issued.