



Financial Statements  
With Independent Auditors' Report

August 31, 2020 and 2019

# CENTER FOR MISSION MOBILIZATION

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Center for Mission Mobilization  
Fayetteville, Arkansas

We have audited the accompanying financial statements of Center for Mission Mobilization, which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities and cash flows for the years 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 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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.

Board of Directors  
Center for Mission Mobilization  
Fayetteville, Arkansas

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Mission Mobilization as of August 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Colorado Springs, Colorado  
February 8, 2021

# CENTER FOR MISSION MOBILIZATION

## Statements of Financial Position

	August 31,	
	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash and cash equivalents	\$ 1,514,307	\$ 1,378,490
Inventory	76,574	66,142
Accounts receivable and other assets	106,561	100,668
Property and equipment—net	<u>1,268,982</u>	<u>1,224,945</u>
Total Assets	<u>\$ 2,966,424</u>	<u>\$ 2,770,245</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	\$ 75,038	\$ 47,853
Debt	<u>450,000</u>	<u>625,000</u>
	<u>525,038</u>	<u>672,853</u>
Net assets:		
Without donor restrictions	1,365,911	991,558
With donor restrictions	<u>1,075,475</u>	<u>1,105,834</u>
	<u>2,441,386</u>	<u>2,097,392</u>
Total Liabilities and Net Assets	<u>\$ 2,966,424</u>	<u>\$ 2,770,245</u>

See notes to financial statements

# CENTER FOR MISSION MOBILIZATION

## Statements of Activities

	Year Ended August 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 72,936	\$ 5,214,611	\$ 5,287,547	\$ 18,461	\$ 6,048,626	\$ 6,067,087
Government grant income	-	436,600	436,600	-	-	-
Educational revenues-net	532,802	-	532,802	619,607	-	619,607
Product sales and other income	196,998	-	196,998	159,415	-	159,415
<b>Total Support and Revenue</b>	<b>802,736</b>	<b>5,651,211</b>	<b>6,453,947</b>	<b>797,483</b>	<b>6,048,626</b>	<b>6,846,109</b>
<b>NET ASSETS RELEASED FROM:</b>						
Purpose restrictions	5,459,780	(5,459,780)	-	5,748,442	(5,748,442)	-
Administrative assessments	221,790	(221,790)	-	236,325	(236,325)	-
<b>Total Net Assets Released</b>	<b>5,681,570</b>	<b>(5,681,570)</b>	<b>-</b>	<b>5,984,767</b>	<b>(5,984,767)</b>	<b>-</b>
<b>EXPENSES:</b>						
Salaries and benefits	4,464,079	-	4,464,079	4,698,964	-	4,698,964
Travel	481,069	-	481,069	455,028	-	455,028
Events and trainings	375,287	-	375,287	182,538	-	182,538
Professional services and fees	217,025	-	217,025	177,172	-	177,172
Occupancy	158,538	-	158,538	173,056	-	173,056
Office expense and other	156,346	-	156,346	180,789	-	180,789
Food	144,981	-	144,981	168,851	-	168,851
Cost of goods sold	112,628	-	112,628	127,597	-	127,597
<b>Total Expenses</b>	<b>6,109,953</b>	<b>-</b>	<b>6,109,953</b>	<b>6,163,995</b>	<b>-</b>	<b>6,163,995</b>
Change in Net Assets	374,353	(30,359)	343,994	618,255	63,859	682,114
Net Assets, Beginning of Year	991,558	1,105,834	2,097,392	373,303	1,041,975	1,415,278
<b>Net Assets, End of Year</b>	<b>\$ 1,365,911</b>	<b>\$ 1,075,475</b>	<b>\$ 2,441,386</b>	<b>\$ 991,558</b>	<b>\$ 1,105,834</b>	<b>\$ 2,097,392</b>

See notes to financial statements

# CENTER FOR MISSION MOBILIZATION

## Statements of Cash Flows

	Year Ended August 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 343,994	\$ 682,114
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	35,976	31,782
Forgiveness of Paycheck Protection Program loan	(436,600)	-
Contributions received for long-term purposes	(82,515)	(691,801)
Gain on disposal of property and equipment	(12,329)	-
In-kind contribution of property and equipment	(20,922)	-
Changes in operating assets and liabilities:		
Inventory	(10,432)	(7,465)
Accounts receivable and other assets	(5,893)	14,852
Accounts payable and other liabilities	27,185	5,889
Net Cash Provided (Used) by Operating Activities	(161,536)	35,371
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from insurance claim	37,579	-
Purchases of property and equipment	(84,341)	(710,727)
Net Cash Used by Investing Activities	(46,762)	(710,727)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from line of credit	450,000	625,000
Payments on debt	(625,000)	(546,000)
Proceeds from Paycheck Protection Program loan	436,600	-
Contributions received for long-term purposes	82,515	691,801
Net Cash Provided by Financing Activities	344,115	770,801
Net Change in Cash and Cash Equivalents	135,817	95,445
Cash and Cash Equivalents, Beginning of Year	1,378,490	1,283,045
Cash and Cash Equivalents, End of Year	\$ 1,514,307	\$ 1,378,490

See notes to financial statements

# CENTER FOR MISSION MOBILIZATION

## Notes to Financial Statements

August 31, 2020 and 2019

### 1. NATURE OF ORGANIZATION:

Center for Mission Mobilization (CMM) is an organization committed to mobilizing the global Church by raising up disciple-making mobilizers to ignite mission-sending movements to the unreached. CMM desires to see all believers actively participating in God's global plan of redemption and to see the former mission fields become powerful mission forces. It accomplishes this mission through field mobilization teams, resources, and training, and it places a priority in regions where there are large Christian populations with little missions sending.

CMM's mission is to engage, equip, and connect believers worldwide to their most strategic role in completing the Great Commission.

CMM is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, CMM is subject to federal income tax on any unrelated business taxable income. In addition, CMM is not classified as a private foundation within the meaning of Section 509(a) of the IRC. Contributions are CMM's primary source of support and revenue.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

CMM maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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 and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held in checking and money market accounts. As of August 31, 2020 and 2019, CMM has cash and cash equivalents on deposit with financial institutions that exceed the federally insured balance by approximately \$994,000 and \$780,000, respectively. CMM has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

#### INVENTORY

Inventory consists mainly of books and related ministry materials. Inventory is recorded at the lower of cost or net realizable value using the weighted average method which approximates the first-in, first-out method. Based on inventory on hand as of August 31, 2020 and 2019, management has not recorded an allowance for obsolete inventory.



# CENTER FOR MISSION MOBILIZATION

## Notes to Financial Statements

August 31, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, or if donated, at the estimated fair market value at the date of donation. Assets donated with restrictions regarding its use and contributions of cash to acquire property are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is recorded using the straight-line method over estimated useful lives ranging from three to five years. Fixed asset purchases exceeding \$2,500 are capitalized, with lesser amounts expensed in the year of purchase.

#### NET ASSETS

The financial statements report amounts separately by class of net assets as follows:

*Net assets without donor restrictions* are those resources currently available for CMM's purposes under the direction of the board of directors and those resources invested in property and equipment—net.

*Net assets with donor restrictions* are those resources contributed with donor stipulations for specific purposes and programs of CMM.

#### SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, 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. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Educational revenues, product sales, and other income are recorded when earned. Educational revenues consist of income received from Support Raising Solutions (SRS) Bootcamps, SRS Network, and conferences. The SRS Bootcamp income is recorded net of refunds and rebates of \$27,800 and \$36,824 for the years ending August 31, 2020 and 2019, respectively.

CMM signed a loan agreement through a financial institution to obtain funding for the Paycheck Protection Program loan of \$436,600. The loan is eligible for forgiveness based on CMM incurring various qualifying expenses such as normal payroll costs and utilities. As of August 31, 2020, CMM has overcome all barriers related to these funds and the total amount has been recorded as support and revenue on the statements of activities.

Expenses are recorded when incurred, in accordance with the accrual basis of accounting.

# CENTER FOR MISSION MOBILIZATION

## Notes to Financial Statements

August 31, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### RECENTLY ADOPTED ACCOUNTING STANDARD

In 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. CMM adopted the provisions of this new standard during the year ended August 31, 2020. This new standard provides guidance on determining whether transactions should be accounted for as an exchange transaction or a contribution and whether a contribution should be recorded as conditional or unconditional. Adoption of this standard had no effect on change in net assets or net assets in total.

### 3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects CMM's financial assets, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	August 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 1,514,307	\$ 1,378,490
Investments	76,574	66,142
Accounts receivable	55,772	52,643
	<u>1,646,653</u>	<u>1,497,275</u>
Less those unavailable for general expenditure within one year, due to:		
Restricted net assets not expected to be used within one year	<u>-</u>	<u>(11,675)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,646,653</u>	<u>\$ 1,485,600</u>

CMM structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. CMM also has access to a line of credit that can be used for general operations (see Note 5). Management monitors cash flows closely through monthly reviews and board of director meetings.

# CENTER FOR MISSION MOBILIZATION

## Notes to Financial Statements

August 31, 2020 and 2019

4. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	August 31,	
	2020	2019
Land and land improvements	\$ 258,300	\$ 258,300
Building and improvements	1,004,350	970,917
Office furniture	93,475	83,485
Computer equipment	21,407	10,067
	<u>1,377,532</u>	<u>1,322,769</u>
Accumulated depreciation	<u>(108,550)</u>	<u>(97,824)</u>
	<u>\$ 1,268,982</u>	<u>\$ 1,224,945</u>

5. DEBT:

During the year ended August 31, 2019, a line of credit to a financial institution was opened with a limit of \$750,000 at a fixed interest rate of 5.75%. During the year ended August 31, 2020, this line of credit was refinanced to have a limit of \$500,000 with an interest rate of 4.5%, maturing in August 2021. Line of credit is secured by a property. As of August 31, 2020 and 2019, the line of credit balance was \$450,000 and \$625,000, respectively.

Subsequent to the year ended August 31, 2020, the line of credit balance was paid and no further draws were made.

# CENTER FOR MISSION MOBILIZATION

## Notes to Financial Statements

August 31, 2020 and 2019

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	August 31,	
	2020	2019
Staff support accounts	\$ 959,272	\$ 985,974
Other projects	116,203	119,860
	\$ 1,075,475	\$ 1,105,834

7. FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing program services and supporting activities have been summarized on a functional basis below. Accordingly, certain costs, such as payroll, relating to more than one function have been allocated among the program services and supporting activities based on time spent and direct benefit to such activity. Main program activities of CMM include training programs on support-raising and reaching the unreached.

Functional allocation of expenses for the year ended August 31, 2020 are:

	Program Services	Supporting Activities:		Total Expenses
		General and Administrative	Fundraising	
Salaries and benefits	\$ 3,749,826	\$ 491,049	\$ 223,204	\$ 4,464,079
Travel	389,059	69,499	22,511	481,069
Events and trainings	375,287	-	-	375,287
Professional services and fees	26,225	169,206	21,594	217,025
Occupancy	133,172	17,439	7,927	158,538
Office expense and other	78,835	31,718	45,793	156,346
Food	124,943	18,407	1,631	144,981
Cost of goods sold	112,628	-	-	112,628
	\$ 4,989,975	\$ 797,318	\$ 322,660	\$ 6,109,953

# CENTER FOR MISSION MOBILIZATION

## Notes to Financial Statements

August 31, 2020 and 2019

7. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

Functional allocation of expenses for the year ended August 31, 2019 are:

	Program Services	Supporting Activities:		Total Expenses
		General and Administrative	Fundraising	
Salaries and benefits	\$ 4,088,099	\$ 422,907	\$ 187,958	\$ 4,698,964
Travel	344,282	77,778	32,968	455,028
Events and trainings	182,538	-	-	182,538
Professional services and fees	20,844	137,986	18,342	177,172
Occupancy	150,559	15,575	6,922	173,056
Office expense and other	103,688	29,727	47,374	180,789
Food	151,525	15,386	1,940	168,851
Cost of goods sold	127,597	-	-	127,597
	\$ 5,169,132	\$ 699,359	\$ 295,504	\$ 6,163,995

Accounting standards require all costs which contain any fundraising appeal to be allocated to fundraising unless all of the following three tests are met: purpose, audience, and content. CMM incurs costs for field worker deputation which includes time spent performing fundraising functions. These costs are referred to as joint costs and are allocated to program services and fundraising. Joint cost allocations are:

	Year Ended August 31,	
	2020	2019
Program services	\$ 207,199	\$ 332,973
Fund-raising	106,739	171,531
	\$ 313,938	\$ 504,504

8. RETIREMENT PLAN:

CMM has a 403(b) retirement plan that is available to all employees. During the years ended August 31, 2020 and 2019, there were only employee contributions.

9. RELATED PARTIES:

During the years ended August 31, 2020 and 2019, CMM paid royalties of approximately \$21,000 and \$33,000, respectively to the global ambassador of CMM for the sales of his book.

# CENTER FOR MISSION MOBILIZATION

## Notes to Financial Statements

August 31, 2020 and 2019

10. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of CMM for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

11. SUBSEQUENT EVENTS:

Subsequent events were evaluated through February 8, 2021, which is the date the financial statements were available to be issued.