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**OPERATION ANDREW GROUP**  
**AUDIT FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2022**

**OPERATION ANDREW GROUP  
INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**Table of Contents**

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<b>INDEPENDENT AUDITORS' REPORT-----</b>	<b>1-2</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF FINANCIAL POSITION-----</b>	<b>3</b>
<b>STATEMENT OF ACTIVITIES-----</b>	<b>4</b>
<b>STATEMENT OF FUNCTIONAL EXPENSES-----</b>	<b>5</b>
<b>STATEMENT OF CASH FLOWS-----</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS-----</b>	<b>7-11</b>



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
Operation Andrew Group  
1807 Grand Ave,  
Nashville, TN 37212

### **Opinion**

We have audited the accompanying financial statements of Operation Andrew Group (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022, and the related statements of activities and cash flows 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 financial position of Operation Andrew Group as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **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 Operation Andrew Group 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.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Operation Andrew Group's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

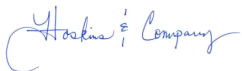
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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 Operation Andrew Group's 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 Operation Andrew Group's 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.



Hoskins & Company  
Nashville, TN  
July 20, 2023

**OPERATION ANDREW GROUP**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**

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	<u>2022</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents (Note 2)	\$ 511,309
Grants and contribution receivable	<u>21,100</u>
Total Current Assets	532,409
<b>NON-CURRENT ASSETS</b>	
Property & equipment, net of accumulated depreciation (Note 3)	-
Security deposits	<u>-</u>
Total Non-current Assets	-
<b>TOTAL ASSETS</b>	<u><u>\$ 532,409</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 16,317
Total Current Liabilities	<u>16,317</u>
<b>NON-CURRENT LIABILITIES</b>	
Total Non-current Liabilities	-
<b>NET ASSETS</b>	
Net assets without donor restrictions	516,092
Net assets with donor restrictions	<u>-</u>
Total Net Assets	<u>516,092</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 532,409</u></u>

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

**OPERATION ANDREW GROUP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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	Net Assets Without Donor Restriction	Donor Restricted Net Assets	2022 Total
<b>Revenue and support</b>			
Contributions	\$ 325,711	\$ -	\$ 325,711
Grants	95,250	-	95,250
Golf, net of \$5,800 direct benefit	46,417	-	46,417
Leadership dinner	255,474	-	255,474
Other income	5,760	-	5,760
Net assets released from restrictions	40,000	(40,000)	-
Total revenue and support	<u>768,612</u>	<u>(40,000)</u>	<u>728,612</u>
<b>Expenses</b>			
Program services	583,942	-	583,942
Management and general	88,506	-	88,506
Fund raising	144,355	-	144,355
Total expenses	<u>816,803</u>	<u>-</u>	<u>816,803</u>
Change in net assets	(48,191)	(40,000)	(88,191)
Net assets, beginning of year	<u>564,283</u>	<u>40,000</u>	<u>604,283</u>
<b>Net assets, end of year</b>	<u><u>\$ 516,092</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 516,092</u></u>

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

**OPERATION ANDREW GROUP**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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	Programs	Management and General	Fundraising	Total 2022
Advertising and promotion	\$ -	\$ 166	\$ 1,491	\$ 1,657
Conferences and meetings	1,383	1,383	-	2,766
Information technology	2,141	2,516	696	5,353
Insurance	2,146	834	-	2,980
Occupancy	36,452	6,835	2,278	45,565
Office supplies	5,554	4,859	3,471	13,884
Professional fees	16,870	21,380	4,600	42,850
Purchased services	43,524	4,800	-	48,324
Special events	-	-	83,790	83,790
Depreciation	-	2,309	-	2,309
Other	10,721	3,287	-	14,008
Salaries and wages	411,276	34,051	42,814	488,141
Benefits	23,563	3,200	2,327	29,090
Payroll taxes	30,312	2,886	2,888	36,086
Total Expense	<u>\$ 583,942</u>	<u>\$ 88,506</u>	<u>\$ 144,355</u>	<u>\$ 816,803</u>

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

**OPERATION ANDREW GROUP**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>
<b>Cash flows from operating activities</b>	
Change in net assets	\$ (88,191)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:	
Depreciation	2,309
Decrease in grant and contribution receivable	8,308
Increase in accounts payable and accrued expenses	<u>1,277</u>
Net cash used in operating activities	<u>(76,297)</u>
<b>Cash flows from investing activities</b>	
Net cash used in investing activities	<u>-</u>
<b>Cash flows from financing activities</b>	
Net cash provided by financing activities	<u>-</u>
Net (decrease) in cash, cash equivalents and restricted cash	(76,297)
Cash, cash equivalents, restricted cash and cash equivalents, beginning of year	<u>587,606</u>
<b>Cash, cash equivalents, restricted cash and cash equivalents end of year</b>	<u><u>\$ 511,309</u></u>

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



**OPERATION ANDREW GROUP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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**NOTE 1---NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Operation Andrew Group, Inc. (the Organization), is a not for profit corporation described in Section 501(c)(3) of the Internal Revenue Code. As such, it is exempt from federal and state income tax, and contributions by the public are deductible for income tax purposes.

The mission of the Organization is to build a better community by uniting efforts with various multid denominational and multicultural churches. It accomplishes its mission through program activities that include hosting an annual banquet, clergy seminars, and other activities to honor local clergy in Tennessee.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Based on the existence or absence of donor-imposed restrictions, the Organization classifies resources into two categories: without donor restrictions and with donor restrictions.

Net Assets without donor restrictions — Net assets without donor restrictions are free of donor imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenditures are reported in the without donor restrictions class of net assets, including expenditures funded by restricted contributions. Expenditures funded by restricted contributions are reported in the without donor restrictions net asset class because the use of restricted contributions in accordance with donors' stipulations results in the release of such restrictions.

Net Assets with donor restrictions — Net assets with donor restrictions are limited as to use by donor-imposed stipulations that may expire with the passage of time or that may be satisfied by action of the Organization. Net assets with donor restrictions are designated by donors for specific purposes, and include unconditional pledges. Some net assets with donor restrictions are required by donors to be held in perpetuity. The donors of substantially all net assets to be held in perpetuity permit the Organization to use a portion of the income earned on the related investments for specified purposes. Expirations of restrictions on net assets as the result of the passage of time and/or fulfilling donor-imposed stipulations are reported as net assets released from restrictions between the applicable classes of net assets in the statements of activities.

**OPERATION ANDREW GROUP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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**NOTE 1---NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions and Expenses

The Organization receives its contributions from governments, foundations, corporations, its members, and other individuals, and recognizes revenue when cash or a firm promise to give is obtained. Income from special events, including ticket sales and sponsorships, is reported as contributions at the time of the event, net of amounts of direct benefit to donors. Any amounts received in advance of the events are accounted for as conditional contributions and reported as refundable advances until the event takes place.

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions either temporary in nature or held in perpetuity based on the nature of the restrictions. net assets. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service.

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

Use of Estimates

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents

Compensated Absences

Employees of The Operation Andrew Group, Inc. are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. The amount of compensation for future absences if material will be recognized as a liability. As such there was not material balance requiring an accrual of a liability.

**OPERATION ANDREW GROUP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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**NOTE 1---NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Uncertain Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2022, the Organization has analyzed its tax positions and believes that all are more likely than not to be sustained upon examination.

Property and Equipment

Items capitalized as property and equipment are stated at cost or, if donated, at estimated fair market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of \$5,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the useful lives of assets are capitalized at cost. Depreciation is computed using the straight line method over the estimated useful lives of the assets as follows:

Leasehold Improvements	Lease term
Equipment	5 years
Furniture and fixtures	7 years

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated including the method of allocation are as follows:

Information technology	Time and effort
Insurance	Time and effort
Occupancy	Time and effort

Operating Activities

In its statement of activities, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities.

Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed the first time the advertising takes place, except for direct-response advertising, which is capitalized and amortized over its expected period of future benefits. Advertising expense for the year ended of December 31, 2022 was 1,657.

**OPERATION ANDREW GROUP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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**NOTE 2---LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of statement of financial position date, comprise the following:

	<u>December 31, 2022</u>
Cash and cash equivalents	\$ 511,309
Contribution receivables	21,100
<b>Total financial assets</b>	<u>\$ 532,409</u>
 <b>Less assets unavailable for general expenditures within one year:</b>	
Restricted by donors with purpose or time restrictions	-
 <b>Total assets unavailable for general expenditures within one year</b>	<u>532,409</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<u><u>\$ 532,409</u></u>

**NOTE 3---PROPERTY AND EQUIPMENT**

A summary of property and equipment was as follows as of December 31:

	<u>2022</u>
Equipment	\$ 8,422
Furniture & Fixtures	8,515
Leasehold improvements	1,318
Less: accumulated depreciation	<u>(18,255)</u>
Property and equipment, net	<u>\$ -</u>

Depreciation expense for the year ended December 31, 2022 was \$2,309.

**NOTE 4---LEASE ARRANGEMENTS**

The Organization leased its main office under a lease agreement including \$1,030 rent per month through February 2022. The Organization moved to a new main office on March 1, 2022. The new lease agreement is a sublease including \$3,800 rent per month through February 28, 2023. The Organization also leases a copier for \$300 per month. The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less.

**OPERATION ANDREW GROUP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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**NOTE 5---CONCENTRATION OF CREDIT RISK**

As of December 31, 2022, the Organization had a total of \$511,309, in cash deposits with various financial institutions. The amounts that exceeded the Federal Deposit Insurance Corporation (FDIC) coverage limitation of \$250,000 for a financial institution were by \$261,309.

**NOTE 6---DEFINED CONTRIBUTION PLAN**

The Organization offers a 401(k) Retirement Plan (the Plan), which covers substantially all eligible employees, as defined by the Plan. The Plan allows voluntary employee contributions, subject to Internal Revenue Service limits. The Organization does not provide a match to employee contributions.

**NOTE 7---SUBSEQUENT EVENTS**

There were no subsequent events requiring disclosure as of July 20, 2023 the date management evaluated such events. The financial statements were available to be issued on July 20, 2023.