



REVELATION WELLNESS FOUNDATION

Phoenix, Arizona

Financial Statements

For the Year Ended December 31, 2021

REVELATION WELLNESS FOUNDATION

Phoenix, Arizona

Financial Statements

For the Year Ended December 31, 2021

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Wade R. Moran CPA, PLLC
Certified Public Accounting Firm

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
REVELATION WELLNESS FOUNDATION

Opinion

We have audited the accompanying financial statements of REVELATION WELLNESS FOUNDATION (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, 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 REVELATION WELLNESS FOUNDATION as of December 31, 2021, 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 REVELATION WELLNESS FOUNDATION 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 REVELATION WELLNESS FOUNDATION'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 REVELATION WELLNESS FOUNDATION'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 REVELATION WELLNESS FOUNDATION'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.

Wade R. Moran, CPA

Wade R. Moran CPA, PLLC

Dallas, Texas

October 4, 2022

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Revelation Wellness Foundation
Statement of Financial Position
December 31, 2021

ASSETS

Current Assets

Cash and Cash Equivalents (Note 2-Section 4 and Note 3)	\$ 1,970,361
Accounts Receivable (Note 3 and 4)	147,903
Inventory (Note 5)	<u>38,194</u>
Total Current Assets	2,156,458

Net Property and Equipment (Note 2-Section 5 and Note 6)	152,297
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Other Assets

Deposits	<u>1,500</u>
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TOTAL ASSETS	\$ <u><u>2,310,255</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Liabilities	\$ <u>22,879</u>
Total Current Liabilities	22,879

Total Liabilities	<u>22,879</u>
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Net Assets

Without Restrictions	<u>2,287,376</u>
Total Net Assets	2,287,376

TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>2,310,255</u></u>
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The accompanying notes are an integral part of the financial statements

Revelation Wellness Foundation
Statement of Activities
For the Year Ended December 31, 2021

	Without Restrictions	With Restrictions	Total
REVENUE AND PUBLIC SUPPORT			
Contributions (Note 7)	\$ 976,402	\$	\$ 976,402
Event and Program Income	94,419		94,419
Investment Income	771		771
Instructor Fees	321,631		321,631
Instructor Training Income	599,481		599,481
Wellness Program Income	214,476		214,476
Loss on Disposal of Asset	(5,014)		(5,014)
Merchandise Sales	333,872		333,872
Cost of Goods Sold	(133,364)		(133,364)
Total Revenue and Public Support	2,402,674	0	2,402,674
EXPENSES			
Program Services	1,599,191		1,599,191
Supporting Services			
Management and General	377,737		377,737
Fundraising	106,560		106,560
Total Expenses	2,083,488	0	2,083,488
CHANGE IN NET ASSETS	319,186	0	319,186
NET ASSETS AT BEGINNING OF YEAR	1,968,190	0	1,968,190
NET ASSETS AT END OF YEAR	\$ 2,287,376	\$ 0	\$ 2,287,376

The accompanying notes are an integral part of the financial statements

Revelation Wellness Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2021

<u>Natural Expense Categories</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Professional Services	\$ 124,963	\$ 84,298	\$ 0	\$ 209,261
Advertising	35,458	0	32,129	67,587
Salaries and Wages	596,440	172,010	44,811	813,261
Payroll Taxes and Fees	77,717	22,543	4,591	104,851
Contract Services	9,145	493	0	9,638
Technology Expense	85,409	0	21,352	106,761
Conferences and Training	120,774	9,150	0	129,924
Charitable Donations	108,546	0	0	108,546
Domestic Scholarships and Grants	48,708	0	0	48,708
Foreign Scholarships and Grants	13,170	0	0	13,170
Depreciation	27,395	5,510	0	32,905
Occupancy	38,878	11,212	2,921	53,011
Insurance Expense	1,679	2,978	46	4,703
Office Expense	138,901	67,312	710	206,923
Travel and Lodging	<u>172,008</u>	<u>2,231</u>	<u>0</u>	<u>174,239</u>
Total Expenses	\$ <u>1,599,191</u>	\$ <u>377,737</u>	\$ <u>106,560</u>	\$ <u>2,083,488</u>

The accompanying notes are an integral part of these financial statements

Revelation Wellness Foundation
Statement of Cash Flows
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 319,186
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation Expense	32,905
Loss on Disposal of Asset	5,014
Change in Accounts Receivable	(39,112)
Change in Inventory	(23,320)
Change in Other Assets	7,299
Change in Accounts Payable and Accrued Liabilities	(11,063)
Net Cash Provided by Operating Activities	<u>290,909</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Fixed Assets	<u>(61,441)</u>
Net Cash (Used) by Investing Activities	(61,441)

NET CHANGE IN CASH AND CASH EQUIVALENTS 229,468

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 1,740,893

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 1,970,361

The accompanying notes are an integral part of the financial statements

REVELATION WELLNESS FOUNDATION

Notes to the Financial Statements

December 31, 2021

NOTE 1 – NATURE OF ACTIVITIES

REVELATION WELLNESS FOUNDATION (hereinafter “Organization”) is a nonprofit ministry dedicated to educating and inspiring you to live healthy and whole in Christ so you can love others well. The Organization uses fitness as a tool to spread the Gospel message.

The Organization is an Arizona nonprofit corporation supported by contributions, fees, and merchandise sales.

The Organization’s primary sources of revenue are free-will donations from supporters and the general public and instructor training fees. The Organization was incorporated under the laws of the State of Arizona.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management selects accounting principles generally accepted in the United States of America and adopts methods for their application. This summary of significant accounting policies selected by the Organization’s management is presented to assist in understanding the financial statements.

- 1) Basis of Accounting - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recorded when incurred on the accrual basis of accounting.
- 2) Programs - The Organization pursues its objectives through the execution of these major programs:
 - Program Services - The Organization uses fitness classes and techniques to spread the Gospel.
 - Supporting Services
 - Fundraising - This program supports the general operations of the Organization.
 - General and administrative - This program supports the general operations of the Organization.
- 3) Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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 reported revenues and expenses. Accordingly, it is reasonably possible for actual results to differ from those estimates.
- 4) Cash Equivalents - For statement of cash flow purposes, cash equivalents include highly liquid investments that are readily convertible to known amounts of cash. The Organization estimates that the fair value of cash and cash equivalents do not differ materially from the aggregate carrying value recorded in the accompanying statement of financial position as of December 31, 2021.
- 5) Property and Equipment - It is the Organization’s policy to capitalize property and equipment with an acquisition cost greater than \$2,500. Lesser amounts are expensed. Donations of property and equipment are capitalized, and recorded as support, at their fair value at the date of receipt. Such donations are reported as contributions 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 reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without restrictions at that time. The cost of maintenance and repairs are charged to expense as incurred.
- 6) Impairment of Long-Lived Assets - Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed their estimated recoverable amount.

REVELATION WELLNESS FOUNDATION

Notes to the Financial Statements

December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7) Net Asset Accounting -NEW ACCOUNTING PRONOUNCEMENT

Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively. The new standards change the following aspects of the Organization's financial statements:

The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions (net assets subject to donor-imposed restrictions).

The unrestricted net asset class has been renamed net assets without donor restrictions (net assets not subject to donor-imposed restrictions).

- 8) Contributions – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions 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 depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service.
- 9) Donated Assets and Services - Donated property is recorded at fair market value on the date of receipt in the appropriate investment, expense or equipment account. In the absence of donor restrictions, donated assets are reported as unrestricted revenue. Contributed services are recognized as unrestricted revenues if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution.
- 10) Advertising - The Organization utilizes advertising primarily to promote its programs to supporters and the general public. The costs of advertising are expensed when incurred and advertising expense was \$67,587 for the year ended December 31, 2021.
- 11) Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a usage basis.
- 12) Uncertain Tax Positions - Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code as other than a private foundation. The Organization is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income. As of December 31, 2021, the Organization believes that 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. With few exceptions, Federal information returns filed prior to 2018 for the Organization are no longer subject to examination by tax authorities.

REVELATION WELLNESS FOUNDATION

Notes to the Financial Statements

December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 13) Coronavirus Aid, Relief, and Economic Security Act and Other Coronavirus Events – On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year 2020 or 2021. In January 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act was signed into law.
- 14) Subsequent Events – Management reviewed Type 1 subsequent events (events that reveal conditions existing at or before the balance sheet date and require adjustment to the financial statements) and Type 2 subsequent events (events that reveal conditions arising after the balance sheet date and require disclosure in, but not adjustment to, the financial statements). No subsequent events were noted. Management has evaluated subsequent events after the statement of financial position date of December 31, 2021 through the date the financial statements were available to be issued and concluded that no additional disclosures are required.
- 15) Recent Accounting Pronouncements – The accounting principles governing the reported amounts, presentations, and disclosures in the financial statements are subject to change from time to time based on the issuance of new pronouncements of various standard-setting bodies. New pronouncements not yet in effect as of December 31, 2021, will not have a material effect on the financial statements of financial position, activities, and cash flows.
- 16) Fair Value Measurements and Disclosures - Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures* established a framework for measuring fair value. That framework provides for a fair value hierarchy which 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 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs based on unadjusted quoted prices for identical assets or liabilities accessible at the measurement date,

Level 2 – Inputs other than quoted prices included in 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, and

Level 3 - Unobservable inputs for the asset or liability including the reporting entity’s own assumptions in determining the fair value measurement.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, while the Organization believes that its valuation methods are appropriate and consistent with other market techniques, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The estimated fair values of the Organization’s financial instruments not measured at fair value, including cash and cash equivalents, receivables and accounts payable and accrued liabilities approximated their carrying values based on the short-term nature of these items as of December 31, 2021.

REVELATION WELLNESS FOUNDATION

Notes to the Financial Statements

December 31, 2021

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial Assets at Year-End	
Cash and Cash Equivalents	\$ 1,970,361
Accounts Receivable	<u>147,903</u>
Total Financial Assets Available	2,118,264
Less: Donor Imposed Restrictions	<u>(0)</u>
Financial Assets Available to Meet Cash Needs	
General Expenditures within One Year	<u>\$ 2,118,264</u>

NOTE 4 – RECEIVABLES

Accounts receivable as of December 31, 2021 relate to online donations that have been made through the online system but have not yet hit the Organization's bank account. The balance of these receivables as of December 31, 2021 was \$147,903.

NOTE 5 – INVENTORY

Inventory consists of clothing and various other merchandise that are stated at the lower of cost or net realizable value. A physical inventory was taken at or near year-end. Inventory is valued at \$38,194 as of December 31, 2021.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment are used for operating purposes and consisted of the following at December 31, 2021:

Furniture and Equipment (5 years)	\$ 69,911
Website	82,145
Leasehold Improvements (7-15 years)	<u>68,121</u>
Total Property and Equipment	220,177
Less: Accumulated Depreciation	<u>(67,880)</u>
Net Property and Equipment	<u>\$ 152,297</u>

Depreciation expense for the year ended December 31, 2021 was \$32,905.

NOTE 7 – CONTRIBUTIONS

Contribution revenues for the year ended December 31, 2021 were received through the following campaigns:

Partner With Us on Mission (General Giving)	\$ 472,056
Songs of Ascent	142,489
Exercise Your Mental Muscle	98,300
To the Ends of the Earth	97,288
Rim to Him Fundraising	73,512
Clean Hearting	51,947
Others	<u>40,810</u>
Total	<u>\$ 976,402</u>

REVELATION WELLNESS FOUNDATION

Notes to the Financial Statements

December 31, 2021

NOTE 8 – COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation and personal days off, depending on length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the financial statements. The Organization's policy is to expense the costs of compensated absences when actually paid to employees.

NOTE 9 – VOLUNTEER CONTRIBUTED SERVICES

The Organization is assisted by volunteers who contributed services to the programs of the Organization. Various volunteers assist the Organization in performances. The Organization estimates volunteer hours during the year ended December 31, 2021 to be approximately 13,040. Volunteer services provided by volunteers and board members are not recorded in these financial statements since they do not meet the criteria set forth in Note 2 under Donated Assets and Services.