

CHRISTIAN LEADERS NFP
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019

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Independent Auditor's Report

Board of Directors
Christian Leaders NFP
Clearwater, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Christian Leaders NFP which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Leaders NFP as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

EGH & Associates

Orland Park, Illinois
June 24, 2020

CHRISTIAN LEADERS NFP
STATEMENT OF FINANCIAL POSITION
December 31, 2019

ASSETS

Cash - checking and money market accounts	\$72,616
Property and equipment:	
Building and improvements	331,854
Furniture and equipment	84,584
Accumulated depreciation	<u>(77,732)</u>
Total property and equipment	<u>338,706</u>
TOTAL ASSETS	<u><u>\$411,322</u></u>

LIABILITIES & NET ASSETS

Liabilities:	
Accounts payable	\$10,775
Note payable	<u>136,947</u>
Total liabilities	147,722
Net assets - without donor restrictions	<u>263,600</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$411,322</u></u>

See notes to financial statements

CHRISTIAN LEADERS NFP
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

Changes in net assets without donor restrictions:	
Revenues and gains:	
Donations	\$1,516,249
In-kind advertising	61,400
Other	<u>1,227</u>
Total revenues and gains without donor restrictions	1,578,876
Expenses and losses:	
Program services	1,331,537
Management and general	125,144
Fundraising	<u>85,026</u>
Total expenses and losses	<u>1,541,707</u>
Increase in net assets without donor restrictions	37,169
Net assets at beginning of year	<u>226,431</u>
Net assets at end of year	<u><u>\$263,600</u></u>

See notes to financial statements

CHRISTIAN LEADERS NFP
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program Services	Mgmt & General	Fund Raising	Total
Salaries and wages	\$692,422	\$94,183	\$71,484	\$858,089
Payroll taxes	38,333	5,214	3,957	47,504
Employee benefits	13,694	1,863	1,414	16,971
Consulting	150,864	0	60	150,924
Materials and supplies	95,030	0	0	95,030
Online advertising	61,400	0	0	61,400
Promotion and publications	49,710	0	5,523	55,233
Travel and meals	47,438	0	0	47,438
Utilities and maintenance	37,729	0	0	37,729
Office expenses	26,195	4,912	1,637	32,744
Bank and credit card charges	24,017	0	0	24,017
Marketing and development	23,613	0	0	23,613
Telephone and communications	15,211	2,852	951	19,014
Depreciation	18,948	0	0	18,948
Professional fees	0	16,120	0	16,120
Conferences and meetings	12,181	0	0	12,181
Licenses and fees	11,385	0	0	11,385
Insurance	7,333	0	0	7,333
Interest	6,034	0	0	6,034
Total Functional Expenses	<u>\$1,331,537</u>	<u>\$125,144</u>	<u>\$85,026</u>	<u>\$1,541,707</u>

See notes to financial statements

CHRISTIAN LEADERS NFP
STATEMENT OF CASH FLOWS
Year Ended December 31, 2019

Cash flows from operating activities:	
Increase in net assets	\$37,169
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	18,948
Decrease in accounts payable	<u>(703)</u>
Net cash provided by operating activities	55,414
Cash flows from investing activities:	
Purchases of property and equipment	(104,983)
Cash flows from financing activities:	
Principal repayments on note payable	<u>(5,621)</u>
Net decrease in cash	(55,190)
Cash at beginning of year	<u>127,806</u>
Cash at end of year	<u><u>\$72,616</u></u>

Supplemental information:	
Cash paid during the year for interest	\$6,034

See notes to financial statements

CHRISTIAN LEADERS NFP
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 – ORGANIZATION

Christian Leaders NFP (The Organization) was incorporated on February 9, 2005. The Organization is a ministry of Christian leaders dedicated to planting and supporting reproducible, multi-generational, and multi-relational discipleship and evangelism. They seek to train pastors and leaders for the church to live and reproduce a vital daily walk with God.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

Property and equipment are recorded at cost, or if donated, at the estimated value at the date of donation. Items are depreciated over their estimated useful lives using the straight-line method.

Donated materials and services

Donated items and other non-cash donations are recorded as contributions at their estimated market value, if determinable, at the date of the donation. Non-cash donations of undeterminable value have not been reflected in the financial statements since no objective basis is available to measure them.

Functional expenses

The costs of providing program services, fundraising and other administrative activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the program services, fundraising, and administrative activities based on space or time allocation rates.

Income Taxes

The Organization qualifies as tax exempt under section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to income taxes.

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America 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 amount of revenues and expenses during the reporting period. Actual results could be different.

Subsequent Events:

These financial statements considered subsequent events through June 24, 2020, the date the financial statements were available to be issued.

CHRISTIAN LEADERS NFP
NOTES TO FINANCIAL STATEMENTS – Continued
December 31, 2019

NOTE 3 – NET ASSETS AND AVAILABILITY OF FINANCIAL ASSETS

Net assets with donor restrictions are restricted for a specific purpose or period. As of December 31, 2019, there were no donor restrictions on net assets. Net assets without donor restrictions are not subject to donor-imposed stipulations and may be used for general expenditures. The Organization has financial assets of \$72,616 as of December 31, 2019, all of which are available for general use within one year.

NOTE 4 – NOTE PAYABLE

The Organization secured a mortgage loan as part of a property acquisition in 2016. The loan bears interest at 4.25% and is secured by a mortgage on the property acquired. Monthly principal and interest payments are calculated using a 20-year amortization with a balloon payment for the unpaid balance on May 11, 2021. Scheduled principal payments are as follows for the years ended:

December 31, 2020	\$ 5,869
December 31, 2021	<u>131,078</u>
	\$136,947

NOTE 5 – NON-CASH DONATIONS

Non-cash donations included in the financial statements are as follows:

In-kind online advertising	\$61,400
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