

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2017 and 2016

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Christian Community Development Association
Chicago, Illinois

We have audited the accompanying consolidated financial statements of Christian Community Development Association, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, cash flows and functional expenses for each of the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 account estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Christian Community Development Association as of December 31, 2017 and 2016, and the changes in its consolidated net assets and cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.



Wheaton, Illinois
May 25, 2018

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Consolidated Statements of Financial Position

	December 31,	
	2017	2016
ASSETS:		
Cash and cash equivalents	\$ 182,949	\$ 125,669
Contributions receivable	71,437	35,500
Accounts receivable	-	17
Other assets	6,615	1,000
Total Assets	<u>\$ 261,001</u>	<u>\$ 162,186</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 24,344	\$ 41,465
Accrued wages	29,280	21,384
Deferred revenue	85,034	19,000
Total liabilities	<u>138,658</u>	<u>81,849</u>
Net assets:		
Unrestricted	(77)	12,337
Temporarily restricted	122,420	68,000
Total net assets	<u>122,343</u>	<u>80,337</u>
Total Liabilities and Net Assets	<u>\$ 261,001</u>	<u>\$ 162,186</u>

See notes to consolidated financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Consolidated Statements of Activities

	Year Ended December 31,					
	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
National Conference registration and sponsorship	\$ 751,974	\$ -	\$ 751,974	\$ 818,461	\$ -	\$ 818,461
Private/foundation grants	157,692	107,420	265,112	158,319	43,000	201,319
Membership dues	82,733	-	82,733	66,517	-	66,517
Contributions	68,286	-	68,286	118,354	-	118,354
Other events registration	51,545	-	51,545	49,799	-	49,799
In kind donated office space	12,000	-	12,000	9,910	-	9,910
Other, including interest income	3,930	-	3,930	2,187	-	2,187
Total support and revenue	1,128,160	107,420	1,235,580	1,223,547	43,000	1,266,547
RECLASSIFICATIONS:						
Net assets released from restriction upon satisfaction of purpose	53,000	(53,000)	-	138,000	(138,000)	-
EXPENSES:						
Program services:						
Events and gatherings	413,142	-	413,142	617,519	-	617,519
Membership services	165,425	-	165,425	203,232	-	203,232
Resources and training	42,186	-	42,186	158,878	-	158,878
Advocacy and public policy	218,303	-	218,303	218,106	-	218,106
Total program expenses	839,056	-	839,056	1,197,735	-	1,197,735
Supporting services:						
Management and general	229,898	-	229,898	68,412	-	68,412
Fund-raising	124,620	-	124,620	122,933	-	122,933
Total supporting services	354,518	-	354,518	191,345	-	191,345
Total expenses	1,193,574	-	1,193,574	1,389,080	-	1,389,080
Change in Net Assets	(12,414)	54,420	42,006	(27,533)	(95,000)	(122,533)
Net Assets, Beginning of Year	12,337	68,000	80,337	39,870	163,000	202,870
Net Assets, End of Year	\$ (77)	\$ 122,420	\$ 122,343	\$ 12,337	\$ 68,000	\$ 80,337

See notes to consolidated financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 42,006	\$ (122,533)
Adjustments to reconcile change in net assets to net cash used (provided) by operating activities:		
Change in:		
Contributions receivable	(35,937)	70,500
Accounts receivable	17	40,466
Other assets	(5,615)	(1,000)
Accounts payable	(17,121)	(9,269)
Accrued wages	7,896	2,857
Deferred revenue	66,034	13,758
Net Cash Provided (Used) by Operating Activities	57,280	(5,221)
Net Change in Cash and Cash Equivalents	57,280	(5,221)
Cash and Cash Equivalents, Beginning of Year	125,669	130,890
Cash and Cash Equivalents, End of Year	\$ 182,949	\$ 125,669

See notes to consolidated financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Consolidated Statement of Functional Expenses

Year Ended December 31, 2017

	Program Services					Supporting Services			Total Expenses	2016 Totals
	Events and Gatherings	Membership Services	Resources and Training	Advocacy and Public Policy	Total	Management and General	Fund-raising	Total		
Salaries and wages	\$ 60,207	\$ 84,405	\$ 15,685	\$ 79,568	\$ 239,865	\$ 95,548	\$ 64,328	\$ 159,876	\$ 399,741	\$ 465,571
Payroll taxes	3,980	5,580	1,037	5,260	15,857	6,316	4,252	10,568	26,425	37,377
Employee benefits	8,278	717	133	675	9,803	7,024	2,099	9,123	18,926	33,406
Consulting	30,201	23,312	14,831	52,623	120,967	68,757	3,000	71,757	192,724	241,872
Production	96,514	-	-	-	96,514	-	-	-	96,514	107,158
Instructors/speakers	34,467	3,250	-	-	37,717	-	-	-	37,717	25,543
Lodging-participant	9,550	12,630	-	-	22,180	-	-	-	22,180	23,655
Transportation-participant	903	3,696	-	1,267	5,866	-	-	-	5,866	15,730
Food and beverage	7,193	5,336	-	90	12,619	-	171	171	12,790	45,074
Music and arts	20,500	-	-	-	20,500	-	-	-	20,500	25,895
Exhibitors	13,469	-	-	-	13,469	-	-	-	13,469	16,476
Meeting space	5,258	-	-	300	5,558	-	-	-	5,558	6,200
Special events	9,675	-	-	-	9,675	-	-	-	9,675	9,421
Course materials, merchandise and giveaways	7,270	-	-	-	7,270	-	464	464	7,734	9,862
Childcare	6,000	-	-	-	6,000	-	-	-	6,000	11,386
Miscellaneous program	19,340	981	5,551	4,774	30,646	-	-	-	30,646	53,146
Banking service fees	17,553	3,231	1,841	1,967	24,592	-	2,928	2,928	27,520	21,211
Communications	936	2,767	-	55,265	58,968	-	3,776	3,776	62,744	37,435
Facility expense	10,610	-	-	-	10,610	5,305	5,305	10,610	21,220	20,784
Insurance expense	786	926	251	1,047	3,010	858	557	1,415	4,425	3,997
Office supplies	4,603	5,423	1,469	6,134	17,629	5,023	3,259	8,282	25,911	49,971
Professional fees	67	-	-	-	67	15,779	-	15,779	15,846	15,629
Travel	42,068	8,794	202	4,383	55,447	21,234	31,851	53,085	108,532	93,858
Board expense	3,714	4,377	1,186	4,950	14,227	4,054	2,630	6,684	20,911	18,423
Total Expenses	\$ 413,142	\$ 165,425	\$ 42,186	\$ 218,303	\$ 839,056	\$ 229,898	\$ 124,620	\$ 354,518	\$ 1,193,574	\$ 1,389,080

See notes to consolidated financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION:

Christian Community Development Association (CCDA) is a nonprofit organization founded to develop a strong fellowship of those involved in Christian community development and encourage new developments through training, education and inspiration. CCDA's primary support comes from grants and registration fees.

CCDA is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable state law, and contributions to the organization are tax deductible within the limitations prescribed by the Code. CCDA has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code.

In October, 2014, CCDA Flourishing Communities was created to respond to direct ministry opportunities in under resourced communities, acting as a national intermediary for local Christian community development ministries in the areas of community development, temporary relief and other such initiatives that serve to restore these communities. CCDA Flourishing Communities' first ministry opportunity was to provide housing for unaccompanied alien children as a sub-recipient of a grant funding. This organization is exempt from income tax under Section 501(c)(3) of the U.S Code and has not been classified as a private foundation. The organization is wholly owned by CCDA and is included in these consolidated financial statements and all inter-company activity has been eliminated for reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements of CCDA are prepared on the accrual basis of accounting. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies followed are described below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking and savings accounts and other depository accounts with maturities of less than one year. At December 31, 2017 and 2016, CCDA's cash balances did not exceed federally insured limits. CCDA does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

CONTRIBUTIONS RECEIVABLE

Unconditional promises-to-give are recognized as income when made and recorded at fair value based upon estimated future cash flows. As of December 31, 2017 and 2016, contributions receivable consisted of grants made to CCDA, with payments made in subsequent years. CCDA expects these receivables to be fully collectible, thus no allowance has been established.

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FIXED ASSETS

Fixed assets in excess of \$1,500 are capitalized at cost, or if donated, at the fair market value on the date of the gift. Repairs and maintenance that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets ranging from three to ten years.

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by classes of net assets:

Unrestricted net assets are those currently available for ministry purposes under the direction of the Board, and net investment in fixed assets.

Temporarily restricted net assets are those contributed with donor stipulations for specific operating purposes or programs. They are not currently available for use in CCDA's ministries until commitments regarding their use have been fulfilled.

REVENUES AND EXPENSES

Contributions are recognized when made. 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 assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the consolidated statements of activities as net assets released from restrictions. It is CCDA's policy to report all temporarily restricted contributions whose restrictions have been met in the reporting period received as unrestricted contributions.

Grants are received from the government, foundations, individuals and churches. Grants are recognized when awarded.

Registration fees and sponsorship revenue are recorded when earned.

CCDA receives some of its future event and program revenue in the current year. This revenue is shown as deferred revenue when received and as conference revenue when earned in the following year. Other income is recorded when earned. All expenses are recorded when incurred in accordance with the accrual basis of accounting.

CONTRIBUTED SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time to CCDA. These volunteers have a significant impact on making the ministry effective. However, the value of these services is not reflected in the consolidated financial statements because it does not meet the necessary accounting criteria.

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been allocated on a functional basis, determined by use of the facilities, level of support effort and relative program and supporting ministry benefited.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 25, 2018, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

3. FIXED ASSETS:

Fixed assets consist of the following:

	December 31,	
	2017	2016
Capitalized website development	\$ -	\$ 56,040
Less accumulated depreciation	-	(56,040)
	<u>\$ -</u>	<u>\$ -</u>

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

4. TEMPORARILY RESTRICTED NET ASSETS:

CCDA received grants for the years ended December 31, 2017 and 2016, which are designated for future activities. The grants have been recorded as temporarily restricted as follows:

	December 31,	
	2017	2016
Advocacy & Training	\$ 107,420	\$ 25,000
National Conference	15,000	30,000
Local Networks	-	13,000
	<u>\$ 122,420</u>	<u>\$ 68,000</u>

5. COMMITMENTS AND CONTINGENCIES:

CCDA signed a contract on April 11, 2017, with a conference center for hosting the 2018 National Conference scheduled for November 1-3, 2018, for a fee of \$65,000. CCDA paid a deposit on this contract in April 2017 for \$6,500 with the remaining balance due in two installments on June 30, 2018 and September 30, 2018. In the event the conference is cancelled, CCDA is liable for the remaining contract balance of \$58,000.

CCDA also signed a contract on April 11, 2017, with a hotel for hosting guests of the 2018 National Conference. CCDA committed to filling a contracted number of rooms, and if this room number is not met CCDA will be responsible for the difference in rooms booked and the minimum number required by the contract. In the event is cancelled, CCDA is responsible for paying the hotel approximately \$85,000 for a cancellation that occurs between the contract sign date and 180 days prior to the event. If the event is cancelled between 179 and the start date of the event, CCDA is responsible to the hotel for approximately \$97,000.

CCDA signed a contract dated May 8, 2017, with a hotel for hosting the 2019 National Conference scheduled for October 2019. The contract includes net projected revenues to the hotel of \$151,095 and indicates that if CCDA finds it necessary to cancel the National Conference, CCDA would be committed to paying 15% of net projected revenues if cancelled between the date of contract signature (May 31, 2017) and April 6, 2018, 40% of net projected revenues if cancelled between April 7, 2018 and October 6, 2018, 75% of net projected revenues if cancelled between October 7, 2018 and April 6, 2019, and 90% of the net projected revenues if cancelled between April 7, 2019, and arrival date.