

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2019 and 2018

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 financial statements of Christian Community Development Association, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows and functional expenses for each of 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 account 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
Christian Community Development Association
Chicago, Illinois

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Community Development Association as of December 31, 2019 and 2018, and the changes in its 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.

Capin Crouse LLP

Naperville, Illinois
April 13, 2020

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Statements of Financial Position

	December 31,	
	2019	2018
ASSETS:		
Cash and cash equivalents	\$ 84,391	\$ 63,622
Contributions receivable	153,704	422,368
Accounts receivable	-	19,140
Total Assets	<u>\$ 238,095</u>	<u>\$ 505,130</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 27,454	\$ 124,813
Accrued wages	22,521	33,947
Line of credit	47,452	49,601
Total liabilities	<u>97,427</u>	<u>208,361</u>
Net assets:		
Without donor restrictions	(55,063)	(157,070)
With donor restrictions	195,731	453,839
Total net assets	<u>140,668</u>	<u>296,769</u>
Total Liabilities and Net Assets	<u>\$ 238,095</u>	<u>\$ 505,130</u>

See notes to the financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Statements of Activities

	Year Ended December 31,		
	2019	2018	
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
National Conference registration and sponsorship	\$ 415,738	-	\$ 415,738
Private/foundation grants	110,111	-	110,111
Membership dues	145,600	-	145,600
Contributions	44,886	-	44,886
Other events registration	17,396	-	17,396
In kind donations	19,449	-	19,449
Other, including interest income	8,152	-	8,152
Total support and revenue	<u>761,332</u>	<u>-</u>	<u>761,332</u>
		Without Donor Restrictions	With Donor Restrictions
		\$ 1,001,384	\$ -
		266,910	402,227
		150,915	-
		41,567	-
		59,547	-
		2,322	-
		3,390	-
		<u>1,526,035</u>	<u>402,227</u>
			<u>\$ 1,001,384</u>
			<u>669,137</u>
			<u>150,915</u>
			<u>41,567</u>
			<u>59,547</u>
			<u>2,322</u>
			<u>3,390</u>
			<u>1,928,262</u>
RECLASSIFICATIONS:			
Net assets released from restriction upon satisfaction of purpose	258,108	(258,108)	-
		70,808	(70,808)
			-
EXPENSES:			
Program services:			
Events and gatherings	323,942	-	323,942
Membership services	39,854	-	39,854
Resources and training	142,056	-	142,056
Advocacy and public policy	150,594	-	150,594
Total program expenses	<u>656,446</u>	<u>-</u>	<u>656,446</u>
Supporting services:			
Management and general	213,705	-	213,705
Fund-raising	47,282	-	47,282
Total supporting services	<u>260,987</u>	<u>-</u>	<u>260,987</u>
Total expenses	917,433	-	917,433
		298,646	-
		145,630	-
		444,276	-
		<u>1,753,836</u>	<u>-</u>
			<u>298,646</u>
			<u>145,630</u>
			<u>444,276</u>
Change in Net Assets	102,007	(258,108)	(156,101)
Net Assets, Beginning of Year	(157,070)	453,839	296,769
Net Assets, End of Year	<u>(55,063)</u>	<u>195,731</u>	<u>140,668</u>
		\$ (157,070)	\$ 453,839
		\$ (157,070)	\$ 453,839
		\$ 140,668	\$ 296,769

See notes to the financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services				Supporting Services			Total Expenses	
	Events and Gatherings	Membership Services	Resources and Training	Advocacy and Public Policy	Management and General	Fund-raising	Total		
Salaries and wages	\$ 63,028	\$ 6,906	\$ 97,816	\$ 107,538	\$ 275,288	\$ 71,181	\$ 36,369	\$ 107,550	\$ 382,838
Payroll taxes	5,265	577	8,172	8,984	22,998	5,947	3,038	8,985	31,983
Employee benefits	5,958	653	9,246	10,165	26,022	6,729	3,438	10,167	36,189
Consulting	927	30,000	6,667	1,580	39,174	7,245	-	7,245	46,419
AV & stage production	84,795	-	1,793	-	86,588	-	-	-	86,588
Internship/volunteer expense	400	-	-	-	400	4,770	-	4,770	5,170
Staff training	-	403	-	530	933	1,347	199	1,546	2,479
Instructors/speakers fees	17,414	-	3,264	-	20,678	-	-	-	20,678
Lodging-participant	23,479	-	6,203	-	29,682	-	-	-	29,682
Transportation-participant	518	-	838	43	1,399	48	-	48	1,447
Food and beverage	24,999	-	12	611	25,622	665	-	665	26,287
Music and arts	10,384	-	-	-	10,384	-	-	-	10,384
Exhibitors	7,186	-	-	-	7,186	-	-	-	7,186
Meeting space rental	10,748	-	-	-	10,748	103	-	103	10,851
Special events	2,390	-	120	3,872	6,382	98	-	98	6,480
Course materials, merchandise and giveaways	4,510	-	2,530	92	7,132	-	-	-	7,132
Childcare	3,014	-	2,002	3,445	8,461	2,717	-	2,717	11,178
Miscellaneous	2,972	40	112	-	3,124	50	-	50	3,174
Banking service fees	-	-	-	-	-	25,319	-	25,319	25,319
Communications	31,649	-	664	4,573	36,886	2,729	2,804	5,533	42,419
Facility expense	-	-	-	-	-	14,580	-	14,580	14,580
Insurance expense	-	-	-	-	-	4,358	-	4,358	4,358
Office supplies	1,662	-	291	1,451	3,404	24,242	-	24,242	27,646
Professional fees	-	-	-	-	-	16,438	-	16,438	16,438
Travel	22,303	1,275	2,326	7,710	33,614	14,275	1,434	15,709	49,323
Board expense	341	-	-	-	341	10,864	-	10,864	11,205
Total Expenses	\$ 323,942	\$ 39,854	\$ 142,056	\$ 150,594	\$ 656,446	\$ 213,705	\$ 47,282	\$ 260,987	\$ 917,433

See notes to the financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services			Supporting Services			Total Expenses
	Events and Gatherings	Membership Services	Resources and Training	Advocacy and Public Policy	Management and General	Fund-raising	
Salaries and wages	\$ 110,345	\$ 19,465	\$ 106,325	\$ 150,999	\$ 387,134	\$ 82,392	\$ 251,069
Payroll taxes	8,086	1,426	7,791	11,065	28,368	6,038	18,399
Employee benefits	6,857	1,210	6,607	9,384	24,058	5,120	15,602
Consulting	4,813	30,000	-	10,187	45,000	-	18,102
Production	191,625	-	1,719	120	193,464	-	79
Instructors/speakers	27,583	-	8,948	-	36,531	-	-
Lodging-participant	41,637	-	28,085	1,310	71,032	-	-
Transportation-participant	21,547	-	5,772	3,406	30,725	-	2,550
Food and beverage	60,635	1,978	4,022	1,903	68,538	137	1,682
Music and arts	27,297	-	750	-	28,047	-	-
Exhibitors	13,568	-	-	-	13,568	-	-
Meeting space	149,215	-	-	-	149,215	-	-
Special events	3,747	-	-	160	3,907	345	830
Course materials, merchandise and giveaways	14,702	-	2,283	144	17,129	-	1,373
Childcare	18,216	-	499	1,597	20,312	-	243
Miscellaneous program	6,997	0	24	114	7,135	2,636	2,977
Banking service fees	16,219	2,414	6,136	3,106	27,875	-	13,542
Communications	50,166	250	5,765	13,774	69,955	-	-
Facility expense	4,694	-	-	-	4,694	2,347	4,694
Insurance expense	491	229	473	672	1,865	366	1,117
Office supplies	5,023	2,345	4,840	6,871	19,079	3,742	11,418
Professional fees	-	-	-	-	-	-	15,660
Travel	31,520	692	10,503	9,118	51,833	40,527	78,897
Board expense	2,658	1,241	2,561	3,636	10,096	1,980	6,042
Total Expenses	\$ 817,641	\$ 61,250	\$ 203,103	\$ 227,566	\$ 1,309,560	\$ 145,630	\$ 444,276
							\$ 1,753,836

See notes to the financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Statements of Cash Flows

	Year Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (156,101)	\$ 174,426
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in:		
Contributions receivable	268,664	(350,931)
Accounts receivable	19,140	(19,140)
Other assets	-	6,615
Accounts payable	(97,359)	100,469
Accrued wages	(11,426)	4,667
Deferred revenue	-	(85,034)
Net Cash Provided (Used) by Operating Activities	22,918	(168,928)
CASH FLOWS FROM FINANCING ACTIVITIES		
Draw on line of credit	-	49,601
Repayment on line of credit	(2,149)	-
Net Cash (Used) Provided by Financing Activities	(2,149)	49,601
Net Change in Cash and Cash Equivalents	20,769	(119,327)
Cash and Cash Equivalents, Beginning of Year	63,622	182,949
Cash and Cash Equivalents, End of Year	\$ 84,391	\$ 63,622

See notes to the financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Statements

December 31, 2019 and 2018

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. This organization was 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 was wholly owned by CCDA. This ministry did not have any balances or activity in 2018 or 2019, and was officially closed in May 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of CCDA are prepared on the accrual basis of accounting. 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 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, 2019 and 2018, 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, 2019 and 2018, 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 Financial Statements

December 31, 2019 and 2018

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 financial statements report amounts separately by classes of net assets:

Net assets without donor restrictions are those currently available for ministry purposes under the direction of the Board, and net investment in fixed assets.

Net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statements of activities as net assets released from restrictions. It is CCDA's policy to report all donor 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 financial statements because it does not meet the necessary accounting criteria.

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Statements

December 31, 2019 and 2018

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. Accordingly, certain costs have been allocated among the program services and supporting activities benefited on the statement of activities. These expenses include primarily salaries and benefits, the allocations of which are based on estimates of time and effort.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 13, 2020, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

3. LINE OF CREDIT:

CCDA entered into a line of credit agreement with a bank in October 2018. Payments of principal and interest are required to be made on the 15th of each month at variable interest rate of prime plus 1.25%. The interest rate at December 31, 2019 and 2018, was 6% and 6.75%, respectively, and the line of credit expires on October 15, 2028.

4. NET ASSETS WITH DONOR RESTRICTIONS:

CCDA received grants for the years ended December 31, 2019 and 2018, which are designated for future activities. The grants have been recorded as net assets with donor restrictions as follows:

	December 31,	
	2019	2018
Leadership	\$ 157,452	\$ 325,134
Advocacy and training	1,279	91,705
Other	37,000	37,000
	<u>\$ 195,731</u>	<u>\$ 453,839</u>

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Statements

December 31, 2019 and 2018

5. LIQUIDITY AND FUNDS AVAILABLE:

CCDA regularly monitors the availability of resources required to meet its operating needs, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12 month period, CCDA considers all expenditures related to ongoing operations.

In addition to financial assets available to meet general expenditures over the next 12 months, CCDA operates with a balanced budget and anticipates collecting sufficient contributions to cover general expenditures not covered by donor-restricted resources.

As of December, 2019, the following tables show the total financial assets held by the CCDA and the amounts of those financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Financial assets:

Cash and cash equivalents	\$	84,391
Contributions and accounts receivable		153,704
		<u>238,095</u>
Less those unavailable for general expenditures within one year due to timing restrictions		<u>(369,660)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>(131,565)</u>

As the primary function of CCDA is to host the annual national conference, registration and sponsorship fees provide the primary cash flow during the year, along with donor grants made upon application by CCDA. CCDA also has a line of credit they may use to draw funds to assist with cash flow needs up to \$50,000.

6. FINANCIAL CONDITION:

The deficit in net assets without donor restrictions as of December 31, 2019, is driven primarily by the balance of contributions receivable at December 31, 2018, which are restricted by both time and purpose. These receivables consist of grants which will be used to further specific activities of CCDA over the next one to three years. Several of those grants were received during the fiscal year. The primary source of income without donor restrictions comes from National Conference and other event fees and these serve to pay for the most significant expenses of CCDA related to the National Conference. CCDA is taking steps to continue fundraising efforts and balancing the budget with respect to Conference to ensure sufficient funds available for operating use. CCDA's 2020 fiscal budget results do not exceed CCDA's capital reserve.