

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2020 and 2019

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, 2020 and 2019, 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, 2020 and 2019, 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
March 31, 2021

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Statements of Financial Position

	December 31,	
	2020	2019
ASSETS:		
Cash and cash equivalents	\$ 66,986	\$ 84,391
Contributions receivable	19,775	153,704
Total Assets	<u>\$ 86,761</u>	<u>\$ 238,095</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 1,158	\$ 27,454
Accrued wages	9,627	22,521
Deferred revenue	35,243	-
Line of credit	18,366	47,452
Notes payable	15,100	-
Total liabilities	<u>79,494</u>	<u>97,427</u>
Net assets:		
Without donor restrictions	(35,949)	(55,063)
With donor restrictions	43,216	195,731
Total net assets	<u>7,267</u>	<u>140,668</u>
Total Liabilities and Net Assets	<u>\$ 86,761</u>	<u>\$ 238,095</u>

See notes to the financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Statements of Activities

	Year Ended December 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
National Conference registration and sponsorship	\$ 223,780	\$ -	\$ 223,780	\$ 415,738	\$ -	\$ 415,738
Private/foundation grants	117,663	-	117,663	110,111	-	110,111
Membership dues	135,665	-	135,665	145,600	-	145,600
Contributions	125,930	-	125,930	44,886	-	44,886
Other events registration	5,910	-	5,910	17,396	-	17,396
In kind donations	12,801	-	12,801	19,449	-	19,449
Other, including interest income	2,163	-	2,163	8,152	-	8,152
Total support and revenue	623,912	-	623,912	761,332	-	761,332
RECLASSIFICATIONS:						
Net assets released from restriction upon satisfaction of purpose	152,515	(152,515)	-	258,108	(258,108)	-
EXPENSES:						
Program services:						
Events and gatherings	260,880	-	260,880	323,942	-	323,942
Membership services	58,421	-	58,421	39,854	-	39,854
Resources and training	127,006	-	127,006	142,056	-	142,056
Advocacy and public policy	58,487	-	58,487	150,594	-	150,594
Total program expenses	504,794	-	504,794	656,446	-	656,446
Supporting services:						
Management and general	198,559	-	198,559	213,705	-	213,705
Fund-raising	53,960	-	53,960	47,282	-	47,282
Total supporting services	252,519	-	252,519	260,987	-	260,987
Total expenses	757,313	-	757,313	917,433	-	917,433
Change in Net Assets	19,114	(152,515)	(133,401)	102,007	(258,108)	(156,101)
Net Assets, Beginning of Year	(55,063)	195,731	140,668	(157,070)	453,839	296,769
Net Assets, End of Year	\$ (35,949)	\$ 43,216	\$ 7,267	\$ (55,063)	\$ 195,731	\$ 140,668

See notes to the financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services					Supporting Services			Total Expenses
	Events and Gatherings	Membership Services	Resources and Training	Advocacy and Public Policy	Total	Management and General	Fund- raising	Total	
Salaries and wages	\$ 52,179	\$ 13,875	\$ 99,931	\$ 33,822	\$ 199,807	\$ 88,893	\$ 34,997	\$ 123,890	\$ 323,697
Payroll taxes	2,706	2,165	5,412	1,082	11,365	10,283	5,412	15,695	27,060
Employee benefits	3,081	2,465	6,162	1,232	12,940	13,111	6,162	19,273	32,213
Consulting	2,900	33,250	-	7,200	43,350	3,125	5,100	8,225	51,575
AV & stage production	155,487	-	1,025	-	156,512	625	-	625	157,137
Internship/volunteer expense	-	800	-	-	800	6,250	-	6,250	7,050
Staff training	-	-	-	-	-	1,342	-	1,342	1,342
Instructors/speakers fees	13,950	-	2,171	1,985	18,106	-	-	-	18,106
Transportation-participant	1,250	-	-	-	1,250	-	-	-	1,250
Food and beverage	1,559	-	-	-	1,559	284	-	284	1,843
Music and arts	790	-	-	-	790	-	-	-	790
Meeting space rental	3,490	-	-	-	3,490	-	-	-	3,490
Course materials, merchandise and giveaways	175	-	130	600	905	-	-	-	905
Other	7,000	-	16	9,866	16,882	-	-	-	16,882
Miscellaneous	648	-	16	-	664	10	-	10	674
Banking service fees	9,571	5,410	416	832	16,229	2,289	2,289	4,578	20,807
Communications	1,539	-	9,208	-	10,747	2,808	-	2,808	13,555
Facility expense	-	-	-	-	-	14,187	-	14,187	14,187
Insurance expense	-	-	-	-	-	4,770	-	4,770	4,770
Office supplies	473	456	1,236	921	3,086	27,067	-	27,067	30,153
Professional fees	-	-	-	-	-	16,500	-	16,500	16,500
Travel	4,082	-	1,283	947	6,312	6,214	-	6,214	12,526
Board expense	-	-	-	-	-	801	-	801	801
								-	
Total Expenses	\$ 260,880	\$ 58,421	\$ 127,006	\$ 58,487	\$ 504,794	\$ 198,559	\$ 53,960	\$ 252,519	\$ 757,313

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	Total	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

Statements of Cash Flows

	Year Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (133,401)	\$ (156,101)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in:		
Contributions receivable	133,929	268,664
Accounts receivable	-	19,140
Accounts payable	(26,296)	(97,359)
Accrued wages	(12,894)	(11,426)
Deferred revenue	35,243	-
Net Cash (Used) Provided by Operating Activities	(3,419)	22,918
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment on line of credit	(29,086)	(2,149)
Economic Injury Disaster Loan proceeds	15,100	-
Net Cash Used by Financing Activities	(13,986)	(2,149)
Net Change in Cash and Cash Equivalents	(17,405)	20,769
Cash and Cash Equivalents, Beginning of Year	84,391	63,622
Cash and Cash Equivalents, End of Year	\$ 66,986	\$ 84,391

See notes to the financial statements

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Statements

December 31, 2020 and 2019

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 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, 2020 and 2019, CCDA's cash balances did not exceeded 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, 2020 and 2019, 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, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 earned as defined by general accepted accounting principles (GAAP).

Registration fees and sponsorship revenue are recorded in the period 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 National Conference registration and sponsorship 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. Deferred revenue totaled \$35,243 and \$0 at December 31, 2020 and 2019, respectively. The activity and balances for unearned revenue from contracts with customers are shown in the following table:

Balance, December 31, 2018	\$	-
Revenue recognized		-
Payment received for future performance obligations		-
		<hr/>
Balance, December 31, 2019		-
Revenue recognized		-
Payment received for future performance obligations		35,243
		<hr/>
Balance, December 31, 2020	\$	<u>35,243</u>

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

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.

RECENTLY ISSUED ACCOUNTING STANDARDS

In 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. CCDA adopted the provisions of this new standard during the year ended December 31, 2020. The new standard provides a framework for determining whether a particular transaction is an exchange transaction or a contribution, and guidance to assist entities in determining whether a contribution is either conditional or unconditional. The ASU has been applied on a modified retrospective basis for agreements that were incomplete as of the ASU's effective date or that were entered into after the effective date. Adoption of this standard had no effect on change in net assets or net assets in total.

As of June 30, 2020, CCDA adopted the provisions of the FASB ASU 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Following the adoption of the ASU, CCDA continues to recognize revenue from program fees as services are provided, which corresponds to the year in which the related programs and services are rendered. There was no material impact to the financial statements as a result of adoption. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

Additional disclosures regarding revenue accounting policies and unearned fees were added.

3. LINE OF CREDIT:

CCDA entered into a line of credit agreement with a bank in October 2018, allowing for a maximum borrowing of \$50,000. 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, 2020 and 2019, was 5.5% and 6%, respectively, and the line of credit expires on October 15, 2028. Amounts drawn against this line of credit as of December 31, 2020 and 2019, was \$18,366 and \$47,452, respectively.

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Statements

December 31, 2020 and 2019

4. NOTE PAYABLE:

As part of the response to the impact of COVID-19, CCDA applied for a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. CCDA was approved for a loan in the amount of \$69,719 in May 2020. The PPP loan program provides for potential loan forgiveness up to the full amount of the loans provided the CCDA overcomes (meets) certain loan stipulations. If the loan is not forgiven, it bears annual interest of 1% and repayment is due in full on June 2022. As of December 31, 2020, \$69,719 has been forgiven and the full amount of the loan was recognized as grant revenue. Subsequent to year end an additional \$69,719 was drawn and forgiveness is anticipated by CCDA.

As part of the response to the impact of COVID-19, CCDA applied for a Economic Injury Disaster Loan (EIDL), administered by the SBA. CCDA was approved for a loan in the amount of \$10,100 on May 22, 2020. The loan bears annual interest of 2.75% and repayment is due in full on May 22, 2021.

As part of the response to the impact of COVID-19, CCDA received an Economic Injury Disaster Loan Advance, administered by the SBA. CCDA was approved for a loan in the amount of \$5,000 on May 22, 2020. Subsequent to year end, on February 12, 2021, the loan was forgiven.

5. NET ASSETS WITH DONOR RESTRICTIONS:

CCDA received grants for the years ended December 31, 2020 and 2019, which are designated for future activities. The grants have been recorded as net assets with donor restrictions as follows:

	December 31,	
	2020	2019
Leadership	\$ 19,617	\$ 157,452
Advocacy and training	10,599	1,279
Other	13,000	37,000
	<u>\$ 43,216</u>	<u>\$ 195,731</u>

6. 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.

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Statements

December 31, 2020 and 2019

6. LIQUIDITY AND FUNDS AVAILABLE, continued:

As of December, 2020 and 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:

	December 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 66,986	\$ 84,391
Contributions and accounts receivable	19,775	153,704
Less those unavailable for general expenditures within one year:	86,761	238,095
Donor-imposed purpose restrictions	(43,216)	(195,731)
Financial assets available to meet cash needs for general expenditures within one year	\$ 43,545	\$ 42,364

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.

7. CONCENTRATION RISK:

CCDA received contributions of approximately 6% and 5% from their board members during the years ended December 31, 2020 and 2019, respectively.

8. FINANCIAL CONDITION:

The deficit in net assets without donor restrictions as of December 31, 2020, is driven primarily by the sponsors and registrations for the 2020 National Conference being deferred to 2021. Due to COVID-19 travel and gathering restrictions in 2020 the National Conference was changed from the planned in person event in Kansas City to a virtual collective provided online. All registrants, sponsors, exhibitors and advertisers were given the option to designate their 2020 event payments to the virtual collective, to be given a refund, or to defer to the 2021 national conference. As of December 31, 2020, \$35,243 in total was deferred. The primary source of income without donor restrictions comes from the National Conference and other event fees and these serve to pay for the most significant expenses of CCDA related to the National Conference. CCDA has a balanced 2021 fiscal budget and is planning on meeting all of its financial obligations with revenue received from membership fees, donors, event participation fees, event sponsors and exhibitors, and new grants.

CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

Notes to Financial Statements

December 31, 2020 and 2019

9. RISKS AND UNCERTANTIES:

In March of 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of CCDA for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

10. SUBSEQUENT EVENTS:

As part of the response to the impact of COVID-19, CCDA applied for a second round of PPP Loan. CCDA was approved for a second draw in the amount of \$69,719 on February 24, 2021. The PPP loan program provides for potential loan forgiveness up to the full amount of the loans provided CCDA overcomes (meets) certain loan stipulations.

Subsequent events have been evaluated through March 31, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.