



## **CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2022 AND 2021**

# CHRISTIAN COMMUNITY DEVELOPMENT ASSOCIATION

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**Robin R. June, CPA**  
**Tammy L. Calhoun, CPA**  
**Brendon J. Riha, CPA**

1040 Creekwood Trail  
Burton, Michigan 48509  
Phone (810)-743-5000  
Fax (810) 743-1922

## **Independent Auditor's Report**

To the Board of Directors  
Christian Community Development Association  
Chicago, Illinois

### ***Report on the Financial Statements***

#### ***Opinion***

We have audited the accompanying financial statements of Christian Community Development Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and 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 Christian Community Development Association as of December 31, 2022, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Christian Community Development Association 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 opinions.

#### ***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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about Christian Community Development Association'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 Christian Community Development Association 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 Christian Community Development Association'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.

A handwritten signature in black ink, appearing to read 'Brendon Riha', written in a cursive style.

Brendon Riha, CPA  
September 19, 2023

# Christian Community Development Association

## Statements of Financial as of the Year Ended:

	December 31,	
	2022	2021
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 123,053	\$ 35,804
Contractor Deposits	4,000	-
Contributions Receivable	<u>16,969</u>	<u>8,350</u>
Total Assets	\$ <u>144,022</u>	\$ <u>44,154</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 47,653	\$ 8,964
Accrued wages	8,960	12,110
Accrued expenses	12,670	-
Line of credit	20,417	50,000
Notes payable	<u>10,100</u>	<u>10,100</u>
Total liabilities	<u>99,800</u>	<u>81,174</u>
Net Assets		
Without donor restrictions	44,222	(46,020)
With donor restrictions	-	<u>9,000</u>
Total net assets	<u>44,222</u>	<u>-37,020</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u>144,022</u>	\$ <u>44,154</u>

See notes to financial statements

## Christian Community Development Association

### Statements of Activities for the Years Ended:

	Year Ended December 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
National Conference registration and sponsorship	\$ 583,585	\$ -	\$ 583,585	\$ 453,829	\$ -	\$ 453,829
Private/foundation grants	-	-	-	37,639	-	37,639
Membership dues	186,168	-	186,168	158,706	-	158,706
Contributions	35,201	-	35,201	117,894	-	117,894
Other events registration	-	-	-	14	-	14
In kind donations	17,828	-	17,828	12,000	-	12,000
Other , including interest income	5,043	-	5,043	5,450	-	5,450
Total support and revenue	827,825	-	827,825	785,532	-	785,532
<b>RECLASSIFICATIONS</b>						
Net assets released from restriction upon satisfaction of purpose	9,000	(9,000)	-	34,216	(34,216)	-
<b>EXPENSES</b>						
Program services	522,047	-	522,047	608,533	-	608,533
Supporting services						
Management and general	223,651	-	223,651	193,893	-	193,892
Fund-raising	886	-	886	27,393	-	27,393
Total supporting services	224,537	-	224,537	221,286	-	221,285
Total Expenses	746,583	-	746,583	829,819	-	829,819
<b>CHANGE IN NET ASSETS</b>	90,242	(9,000)	81,242	(10,071)	(34,216)	(44,287)
<b>NET ASSETS, BEGINNING OF YEAR</b>	(46,020)	9,000	(37,020)	(35,949)	43,216	7,267
<b>NET ASSETS, END OF YEAR</b>	44,222	0	44,222	(46,020)	9,000	(37,020)

*See notes to financial statements*

## Christian Community Development Association

### Statement of Functional Expenses for the Years Ended:

	Year Ended December 31, 2022					Year Ended December 31, 2021				
	Program Services	Supporting Services			Total	Program Services	Supporting Services			Total
	Total	Management and General	Fundraising	Total		Total	Management and General	Fundraising	Total	
AV & stage production	85,350	-	-	-	85,350	101,059	-	-	-	101,059
Banking service fees	57	25,090	-	25,090	25,147	17,225	7,061	1,452	8,513	25,738
Board expense	-	2,990	-	2,990	2,990	-	-	-	-	-
Communications	-	-	-	-	-	7,060	499	-	499	7,559
Consulting	-	-	-	-	-	82,881	-	-	-	82,881
Contractors	81,938	29,570	-	29,570	111,508	-	-	-	-	-
Crouse materials, merchandise and giveaways	11,227	-	-	-	11,227	2,402	-	-	-	2,402
Employee benefits	-	50,121	-	50,121	50,121	34,074	16,258	3,646	19,904	53,978
Exhibit expense	5,535	-	-	-	5,535	1,946	-	-	-	1,946
Facility expense	-	13,560	-	13,560	13,560	-	14,185	-	14,185	14,185
Food and beverage	35,144	773	-	773	35,917	26,870	-	-	-	26,870
Grants unreceivable	5,000	-	-	-	-	-	-	-	-	-
Host committee	-	-	-	-	-	250	-	-	-	250
Instructors/speaker fees	41,497	-	-	-	41,497	28,128	-	-	-	28,128
Insurance expense	-	5,034	-	5,034	5,034	-	3,068	-	3,068	3,068
Internship/volunteer expense	-	2,000	-	2,000	2,000	-	6,000	-	6,000	6,000
Lodging-participant	5,821	-	-	-	5,821	34,865	-	-	-	34,865
Meeting space rental	5,776	268	-	268	6,044	6,897	-	-	-	6,897
Miscellaneous event expense	5,065	815	-	815	5,880	-	-	-	-	-
Music and arts	15,447	-	-	-	15,447	17,777	-	-	-	17,777
Office expense	13,008	20,984	116	21,100	34,108	5,654	23,928	-	23,928	29,582
Other	2,336	4,917	-	4,917	7,253	-	-	-	-	-
Payroll taxes	14,394	2,395	1	2,396	16,790	12,183	5,813	1,303	7,116	19,299
Production resource	2,061	-	-	-	2,061	2,375	-	-	-	2,375
Professional fees	75	8,010	-	8,010	8,085	-	16,726	-	16,726	16,726
Research & development	-	-	-	-	-	2,000	-	-	-	2,000
Salaries and wages	158,462	47,356	11	47,367	205,829	196,207	93,620	20,992	114,612	310,819
Special events	-	-	-	-	-	5,492	1,000	-	1,000	6,492
Staff training	-	550	-	550	550	300	100	-	100	400
Transportation-participant	3,754	-	-	-	3,754	3,478	-	-	-	3,478
Travel	30,099	9,219	758	9,977	40,076	19,410	5,635	-	5,635	25,045
<b>Total Expenses</b>	<b>\$ 522,047</b>	<b>\$ 223,651</b>	<b>\$ 886</b>	<b>\$ 224,537</b>	<b>\$ 746,583</b>	<b>\$ 608,533</b>	<b>\$ 193,893</b>	<b>\$ 27,393</b>	<b>\$ 221,286</b>	<b>\$ 829,819</b>

*See notes to financial statements*

# Christian Community Development Association

## Statements of Cash Flows

	Year Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:	\$ 81,242	\$ (44,287)
Change in net assets		
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in:		
Contributions receivable	-	10,000
Accounts receivable	(8,619)	1,425
Accounts payable	38,689	7,568
Accrued wages	(3,150)	2,483
Accrued expenses	12,670	
Deferred revenue	-	(35,243)
Net Cash (Used) Provided by Operating Activities	120,832	(58,054)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Contractor deposit	(4,000)	-
Net Cash Used by Financing Activities	(4,000)	-
 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment on line of credit	(29,583)	(18,366)
Draw on line of credit	-	50,000
Economic Injury Disaster Loan proceeds	-	(5,000)
Net Cash Used by Financing Activities	(29,583)	26,634
 Net Change in Cash and Cash Equivalents	87,249	(31,420)
 Cash and Cash Equivalents, Beginning of Year	35,804	67,224
 Cash and Cash Equivalents, End of Year	123,053	35,804

*See notes to financial statements*



# Christian Community Development Association

## *Notes to Financial Statements*

*December 31, 2022 and 2021*

### 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 donations, member payments, 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

CCDA prepares its financial statements in accordance with FASB Accounting Standards Codification (ASC) 958-205 and subsections. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. In addition, the Organization is required to present a statement of cash flows. The significant accounting policies followed are described below.

#### CASH AND CASH EQUIVALENTS

Cash and equivalents are short term investments that are readily convertible to cash or have a maturity date of 90 days or less from the date of purchase. Cash equivalents designated for long-term investment have been segregated from cash and are listed as investments on the statement of financial position. At December 31, 2022 and 2021, CCDA's cash balances did not exceed federally insured limits.

#### 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, 2022 and 2021, 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.

#### 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.

#### LEASE ACCOUNTING

The leases were reviewed to determine if any right-of-use assets existed that would require recognition, and none were found.

# Christian Community Development Association

## *Notes to Financial Statements*

### *December 31, 2022 and 2021*

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

##### REVENUES AND EXPENSES

During the fiscal year ended December 31, 2022, two new accounting pronouncements were adopted by the Organization: Accounting Standards Update no. 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09").

Management of the Organization has analyzed the provisions of ASU 2014-09, and has concluded that no changes are necessary to conform with the new standard, therefore the implementation of ASU 2014-09 had no impact on beginning net assets or revenues.

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 CCDAs 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.

In-kind donations are recorded as received in the year the transaction physically took place. In 2022, CCDAs received an in-kind donation for the use of space from Lawndale Community Church. Additionally, they received a sponsorship from CarePortal for a portion of their sponsorship to be the contribution of 500 shirts for their event.

A substantial number of unpaid volunteers have made significant contributions of their time to CCDAs. 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.

#### 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 on December 31, 2022 and 2021, was 8.750% and 5.5%, respectively, and the line of credit expires on October 15, 2028. Amounts drawn against this line of credit as of December 31, 2022, and 2021, were \$20,417 and \$50,000, respectively.

# Christian Community Development Association

## Notes to Financial Statements

December 31, 2022 and 2021

### 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. As of December 31, 2021, \$69,719 has been forgiven and the full amount of the second PPP loan was recognized as grant revenue. Prior to 2021, \$69,719 was forgiven and the full amount of the first PPP loan was recognized as grant revenue.

As part of the response to the impact of COVID-19, CCDA applied for an 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%. Currently, the loan is in deferment despite the initial due date of May 22, 2021, however, interest is still accruing and monthly interest payments of \$44 have been made since May 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 the 2020 year end, on February 12, 2021, the loan was forgiven, and the full amount of the loan was recognized as grant revenue.

### 5. NET ASSETS WITH DONOR RESTRICTIONS:

CCDA did not receive any grants in 2022 which would be designated for future activities and the restrictions on the funds held in 2021 were satisfied. The grants have been recorded as net assets with donor restrictions as follows:

	December 31,	
	2022	2021
Leadership		
Advocacy and training	-	-
Other	-	9,000
	<u>\$ -</u>	<u>\$ 9,000</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.

As of December 2022, and 2021, 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:

# Christian Community Development Association

## Notes to Financial Statements

December 31, 2022 and 2021

### 6. LIQUIDITY AND FUNDS AVAILABLE, continued:

	December 31,	
	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 123,053	\$ 35,804
Contributions and accounts receivable	\$ 16,969	\$ 8,350
Less those unavailable for general expenditures within one year:		
Donor-imposed purpose restrictions	\$ 140,022	\$ 44,154
	\$ -	\$ (9,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 140,022</u>	<u>\$ 35,154</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.

### 7. CONCENTRATION RISK:

CCDA received direct contributions of approximately 33% and 16% of their donations from their board members during the years ended December 31, 2022, and 2021, respectively. The large increase is due to a decline in direct contributions overall in 2022.

### 8. FINANCIAL CONDITION:

2022 has shown improvement when compared to 2021 in both the reduction of expenses and increase in revenue. Overall, conference registration and sponsorship was up sustainability from last year. Additionally, CCDA satisfied the final portion of their restricted grant, meaning all current funds are available for use. So, while accounts payable has gone up year-over-year, the line of credit was able to be paid down and the bank balance has increased to a level that should keep CCDA situated to covered outstanding liabilities and allowed them to place deposits to retain contractors.

### 9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 19, 2023, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.