

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Meyaard Tolman & Venlet p.c.  
Certified Public Accountants  
Zeeland, Michigan

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## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
Caribbean Christian Centre for the Deaf, Inc.  
Zeeland, Michigan

We have audited the accompanying financial statements of Caribbean Christian Centre for the Deaf, Inc. (a nonprofit organization), 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 Caribbean Christian Centre for the Deaf, Inc. at December 31, 2019, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Meynard Tolman & Venlet PC*

Meynard Tolman & Venlet p.c.  
Certified Public Accountants  
September 15, 2020

**CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 94,025
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Total Current Assets	94,025
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PROPERTY AND EQUIPMENT:

Furniture, fixtures and equipment	15,989
Less accumulated depreciation	(15,989)

Net Property and Equipment	-
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TOTAL ASSETS	\$ 94,025
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accrued expenses	\$ 8,640
Payroll taxes withheld and accrued	6,225

Total Current Liabilities	14,865
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Total Liabilities	14,865
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NET ASSETS:

Without Donor Restrictions	43,957
With Donor Restrictions	35,203
Total Net Assets	79,160

TOTAL LIABILITIES AND NET ASSETS	\$ 94,025
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See accompanying notes.

**CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions and grants	\$ 274,292	\$ 1,020,897	\$ 1,295,189
Interest income	69	-	69
Net assets released from restrictions	<u>1,053,811</u>	<u>(1,053,811)</u>	<u>-</u>
Total Revenues	<u>1,328,172</u>	<u>(32,914)</u>	<u>1,295,258</u>
EXPENSES			
Program services	1,078,402	-	1,078,402
Administrative	103,209	-	103,209
Fundraising	<u>122,448</u>	<u>-</u>	<u>122,448</u>
Total Expenses	<u>1,304,059</u>	<u>-</u>	<u>1,304,059</u>
CHANGE IN NET ASSETS	24,113	(32,914)	(8,801)
NET ASSETS, JANUARY 1	<u>19,844</u>	<u>68,117</u>	<u>87,961</u>
NET ASSETS, DECEMBER 31	<u>\$ 43,957</u>	<u>\$ 35,203</u>	<u>\$ 79,160</u>

See accompanying notes.

**CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Work teams (L.I.F.E.)	\$ 426,937	\$ -	\$ -	\$ 426,937
Child sponsorships	327,487	-	-	327,487
School operating costs	221,501	-	-	221,501
Payroll	51,764	66,284	93,720	211,768
Special projects	19,391	-	-	19,391
Payroll taxes	3,960	5,071	7,169	16,200
Travel and meetings	7,530	-	7,529	15,059
General insurance	10,591	1,196	-	11,787
Professional services	-	8,640	-	8,640
Computer services	1,500	5,212	1,500	8,212
Equipment rental and maintenance	2,270	2,270	2,269	6,809
Meals and lodging	1,500	2,135	2,135	5,770
Postage and shipping	1,000	1,208	3,000	5,208
Contracted services	-	3,176	1,290	4,466
Rent	1,092	2,183	1,092	4,367
Office supplies	555	1,261	500	2,316
Communications	375	600	1,000	1,975
Printing and copying	582	582	580	1,744
Employee benefits	367	470	664	1,501
Memberships	-	1,414	-	1,414
Bank and processing fees	-	1,382	-	1,382
Staff development	-	125	-	125
<b>Total</b>	<b><u>\$ 1,078,402</u></b>	<b><u>\$ 103,209</u></b>	<b><u>\$ 122,448</u></b>	<b><u>\$ 1,304,059</u></b>

See accompanying notes.

**CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (8,801)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable and accrued expenses	<u>9,481</u>
Net Cash Provided (Used) By Operating Activities	<u>680</u>
Net change in cash and cash equivalents	680
Cash and cash equivalents, beginning	<u>93,345</u>
Cash and cash equivalents, ending	<u><u>\$ 94,025</u></u>

There were no payments of interest or income taxes.



**CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities and Mission** - Caribbean Christian Centre for the Deaf, Inc. ("CCCD") exists to reach, teach, and nurture the deaf of Jamaica. Our mission is to connect people with the needs of the Caribbean community, to empower Deaf leadership, Deaf evangelism, and the Deaf church by supporting education, employment, and entrepreneurial endeavors.

**Vision** - A Caribbean where all Deaf people have access to language, education, employment, and the Gospel of Jesus Christ.

To achieve its mission, CCCD supports and works with a charitable organization located in Jamaica. During 2019, \$935,172 was disbursed to Caribbean Christian Centre for the Deaf Jamaica LTD for program services in Jamaica.

**Income Tax Exemption** - CCCD is a non-profit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**Basis of Presentation** - The accompanying financial statements have been prepared on the accrual basis of accounting. The financial statements are presented in accordance with the provisions of FASB ASC 958, *Not-for-Profit Entities*, and the AICPA Audit and Accounting Guide for Not-for-Profit Organizations (the "Guide").

Under the provisions of FASB ASC 958 and the Guide, net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

- 1) Net Assets Without Donor Restriction - net assets that are not subject to donor-imposed stipulations.
- 2) Net Assets with Donor Restriction - net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

**Cash and Cash Equivalents** - CCCD considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Compensated absences** - CCCD has not accrued compensated absences since the amount is deemed to be immaterial.

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Advertising** - All advertising costs are expensed as incurred.

**Property, Equipment and Depreciation** - Property and equipment are stated at cost or, if donated, at the fair market value at the date of the gift. Depreciation is computed using a straight-line method over the estimated useful lives of the assets.

**Donated Services and Property and Equipment**

Professional services - Donated professional services are recognized as contributions in accordance with *Accounting Standards Codification*, if the professional services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. No amounts have been recognized in the statement of activities because there were no contributions meeting the criteria for recognition.

Property and equipment - Contributions of property and equipment are reflected in the accompanying financial statements to the extent that they are objectively measurable and represent program or support services expenditures that would otherwise be incurred by the Organization. No contributions of property and equipment were received during 2019.

Volunteer services - The Organization also received a significant amount of donated services from unpaid volunteers who assisted in fund raising and special projects. No amounts have been recognized in the statement of activities because the contributions do not meet the criteria for recognition.

**LEASE**

CCCD has a lease agreement for its administrative office located in Zeeland, Michigan. A three-year lease extension was in place from October 1, 2015 through September 30, 2018. An additional three-year lease extension was signed, extending the lease through September 30, 2021. Lease payments were \$291 during 2018.

Future minimum payments years ending December 31 are:

2020	\$ 3,492
2021	<u>2,619</u>
Total	<u>\$ 6,111</u>

**NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2019, CCCD's net assets with donor restrictions consist of \$35,203 to be used for Jamaica program expenses in 2020.

**LIQUIDITY**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets at December 31:

Cash and cash equivalents (Total Financial Assets at year end)	\$ 94,025
Less donor-restricted for 2020 programs	<u>35,203</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 58,822</u>

## **SUBSEQUENT EVENTS**

Subsequent events were evaluated through September 15, 2020, which is the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The extent of the impact of COVID-19 on our operational and financial performance will depend on numerous factors, including the impact on our program services, donors, vendors, and employees. We cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the Organization's financial position or results of operations in 2020.

In May 2020, CCCD received a Paycheck Protection Program loan from Macatawa Bank for \$44,100. The funds were primarily used for payroll costs during spring and summer 2020. CCCD believes all funds were used for the intended, allowable purposes, and that the loan will be forgiven once an application is filed.