

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT..... 1

STATEMENT OF FINANCIAL POSITION..... 3

STATEMENT OF ACTIVITIES..... 4

STATEMENT OF FUNCTIONAL EXPENSES 5

STATEMENT OF CASH FLOWS.....6

NOTES TO FINANCIAL STATEMENTS..... 7



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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, 2020, 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, 2020, 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.

Meygaard Tolman & Venlet p.c.

Meygaard Tolman & Venlet p.c.
Certified Public Accountants
August 30, 2021

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 271,768
Total Current Assets	271,768

PROPERTY AND EQUIPMENT:

Furniture, fixtures and equipment	15,989
Less accumulated depreciation	(15,989)
Net Property and Equipment	-

TOTAL ASSETS	\$ 271,768
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Payroll taxes withheld and accrued	\$ 8,331
Total Current Liabilities	8,331
Total Liabilities	8,331

NET ASSETS:

Without Donor Restrictions	117,709
With Donor Restrictions	145,728
Total Net Assets	263,437

TOTAL LIABILITIES AND NET ASSETS	\$ 271,768
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See accompanying notes.

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions and grants	\$ 260,008	\$ 957,656	\$ 1,217,664
Interest income	45	-	45
Paycheck Protection Program forgiven loan	44,100	-	44,100
Net assets released from restrictions	<u>847,131</u>	<u>(847,131)</u>	<u>-</u>
Total Revenues	<u>1,151,284</u>	<u>110,525</u>	<u>1,261,809</u>
EXPENSES			
Program services	863,374	-	863,374
Administrative	99,714	-	99,714
Fundraising	<u>114,444</u>	<u>-</u>	<u>114,444</u>
Total Expenses	<u>1,077,532</u>	<u>-</u>	<u>1,077,532</u>
CHANGE IN NET ASSETS	73,752	110,525	184,277
NET ASSETS, JANUARY 1	<u>43,957</u>	<u>35,203</u>	<u>79,160</u>
NET ASSETS, DECEMBER 31	<u><u>\$ 117,709</u></u>	<u><u>\$ 145,728</u></u>	<u><u>\$ 263,437</u></u>

See accompanying notes.

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Child sponsorships	\$ 318,372	\$ -	\$ -	\$ 318,372
School operating costs	279,357	-	-	279,357
Payroll	55,598	64,828	95,320	215,746
Work teams (L.I.F.E.)	174,214	-	-	174,214
Special projects	19,738	-	-	19,738
Payroll taxes	4,156	4,847	7,126	16,129
Computer services	1,500	5,730	1,500	8,730
Professional services	-	7,280	-	7,280
Contracted services	-	5,113	-	5,113
Equipment rental and maintenance	1,518	1,518	1,518	4,554
Postage and shipping	1,000	533	3,000	4,533
Rent	1,123	2,246	1,123	4,492
General insurance	2,690	1,171	-	3,861
Travel and meetings	1,697	-	1,697	3,394
Office supplies	510	1,764	500	2,774
Employee benefits	541	631	928	2,100
Printing and copying	608	608	610	1,826
Communications	400	600	770	1,770
Memberships	-	1,418	-	1,418
Meals and lodging	352	352	352	1,056
Bank and processing fees	-	1,033	-	1,033
Staff development	-	42	-	42
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 863,374</u>	<u>\$ 99,714</u>	<u>\$ 114,444</u>	<u>\$ 1,077,532</u>

See accompanying notes.

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 184,277
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable and accrued expenses	<u>(6,534)</u>
Net Cash Provided (Used) By Operating Activities	<u>177,743</u>
Net change in cash and cash equivalents	177,743
Cash and cash equivalents, beginning	<u>94,025</u>
Cash and cash equivalents, ending	<u><u>\$ 271,768</u></u>

There were no payments of interest or income taxes.

See accompanying notes.

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

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 2020, \$778,639 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 2020.

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 2020.

Future minimum payments years ending December 31 are:

2021	\$ <u>2,619</u>
Total	\$ <u>2,619</u>

NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2020, CCCD's net assets with donor restrictions consist of \$145,728 to be used for Jamaica program expenses in 2021.

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)	\$ 271,768
Less donor-restricted for 2021 programs	<u>145,728</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 126,040</u>

COVID-19 / CORONAVIRUS

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the date of these financial statements were available to be issued, the Organization remains operational. 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, results of activities, or cash flows in the future. Effective June 22, 2021, the State of Michigan removed all of its COVID-related restrictions.

PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In May 2020, the Organization received a PPP loan for \$44,100 from Macatawa Bank. The funds were primarily used for payroll costs during spring and summer 2020. The loan was forgiven on November 20, 2020 and is reported as revenue in these financial statements.

SUBSEQUENT EVENTS

Subsequent events were evaluated through August 30, 2021, which is the date the financial statements were available to be issued.

In February 2021, the Organization received a second Paycheck Protection Program loan from Macatawa Bank for \$44,400. The funds were primarily used for payroll costs during spring 2021. The loan was forgiven in June 2021.