

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 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 Caribbean Christian Centre for the Deaf, Inc. as of December 31, 2021, 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Caribbean Christian Centre for the Deaf, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the aggregate, that raise substantial doubt about Caribbean Christian Centre for the Deaf, Inc.'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 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 judgement 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 Caribbean Christian Centre for the Deaf, Inc.'s 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 Caribbean Christian Centre for the Deaf, Inc.'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.

Meyaard Tolman & Venlet p.c.

Meyaard Tolman & Venlet p.c.
Certified Public Accountants
August 9, 2022

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 419,881
	<hr/>
Total Current Assets	419,881
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PROPERTY AND EQUIPMENT:

Furniture, fixtures and equipment	15,989
Less accumulated depreciation	(15,989)
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Net Property and Equipment	-
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TOTAL ASSETS	\$ 419,881
	<hr/> <hr/>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Payroll taxes withheld and accrued	\$ 9,837
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Total Current Liabilities	9,837
	<hr/>
Total Liabilities	9,837
	<hr/>

NET ASSETS:

Without Donor Restrictions	117,717
With Donor Restrictions	292,327
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Total Net Assets	410,044
	<hr/>

TOTAL LIABILITIES AND NET ASSETS	\$ 419,881
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CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions and grants	\$ 265,035	\$ 923,325	\$ 1,188,360
Interest income	13	-	13
Paycheck Protection Program forgiven loan	44,400	-	44,400
Employer Retention credits	33,983	-	33,983
Net assets released from restrictions	<u>776,726</u>	<u>(776,726)</u>	<u>-</u>
Total Revenues	<u>1,120,157</u>	<u>146,599</u>	<u>1,266,756</u>
EXPENSES			
Program services	917,452	-	917,452
Administrative	112,209	-	112,209
Fundraising	<u>90,488</u>	<u>-</u>	<u>90,488</u>
Total Expenses	<u>1,120,149</u>	<u>-</u>	<u>1,120,149</u>
CHANGE IN NET ASSETS	8	146,599	146,607
NET ASSETS, JANUARY 1	<u>117,709</u>	<u>145,728</u>	<u>263,437</u>
NET ASSETS, DECEMBER 31	<u>\$ 117,717</u>	<u>\$ 292,327</u>	<u>\$ 410,044</u>

See accompanying notes.

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
School operating costs	\$ 395,228	\$ -	\$ -	\$ 395,228
Child sponsorships	312,274	-	-	312,274
Payroll	100,266	80,863	66,386	247,515
Work teams (L.I.F.E.)	70,275	-	-	70,275
Payroll taxes	7,670	6,140	5,078	18,888
Special projects	18,029	-	-	18,029
Equipment rental and maintenance	2,830	2,830	2,831	8,491
Professional services	-	8,327	-	8,327
Travel and meetings	1,925	578	4,000	6,503
Computer services	2,161	2,161	2,162	6,484
Contracted services	-	3,037	1,746	4,783
Rent	-	2,196	2,196	4,392
Meals and lodging	1,415	-	2,000	3,415
Postage and shipping	1,500	199	1,500	3,199
General insurance	1,790	1,111	-	2,901
Employee benefits	200	1,100	1,000	2,300
Office supplies	694	717	694	2,105
Printing and copying	600	215	600	1,415
Memberships	-	1,348	-	1,348
Bank and processing fees	-	1,092	-	1,092
Communications	295	295	295	885
Staff development	300	-	-	300
	<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>
Total	<u>\$ 917,452</u>	<u>\$ 112,209</u>	<u>\$ 90,488</u>	<u>\$ 1,120,149</u>

See accompanying notes.

CARIBBEAN CHRISTIAN CENTRE FOR THE DEAF, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 146,607
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable and accrued expenses	<u>1,506</u>
Net Cash Provided (Used) By Operating Activities	<u>148,113</u>
Net change in cash and cash equivalents	148,113
Cash and cash equivalents, beginning	<u>271,768</u>
Cash and cash equivalents, ending	<u><u>\$ 419,881</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, 2021

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 2021, \$774,175 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.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in 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.

Revenue Recognition – Contributions or pledges from donors that are unconditional, are recognized by CCCD as net assets without donor restrictions in the period received. Contributions or pledges from donors with donor-imposed conditions are reported as net assets with donor restrictions in the period received. When a 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 are reported in the statement of activities and changes in net assets as net assets released from restrictions.

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 2021.

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. An additional three-year lease extension was signed, extending the lease through September 30, 2024. Lease payments were \$391 during 2021 with a total paid of \$4,392.

CCCD has an operating lease agreement for office equipment. A five-year lease is in effect from October 1, 2021 through September 30, 2026, with monthly payments of \$225.

Future minimum payments years ending December 31 are:

2022	\$ 6,192
2023	6,192
2024	5,319
2025	2,700
2026	<u>2,025</u>
Total	<u>\$22,428</u>

NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021, CCCD’s net assets with donor restrictions consist of \$292,327 to be used for Jamaica program expenses in 2022.

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)	\$ 419,881
Less donor-restricted for 2022 programs	<u>292,327</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 127,554</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.

PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In February 2021, the Organization received a second PPP loan for \$44,400 from Macatawa Bank. The funds were primarily used for payroll costs during spring and summer 2021. The loan was forgiven on June 11, 2021 and is reported as revenue in these financial statements.

SUBSEQUENT EVENTS

Subsequent events were evaluated through August 9, 2022, which is the date the financial statements were available to be issued.