



CHRIST FOR ALL NATIONS
Financial Statements
December 31, 2016 and 2015
With Independent Auditors' Report

Christ For All Nations
December 31, 2016 and 2015

TABLE OF CONTENTS	
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5-8

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Christ For All Nations
Orlando, Florida

Report on Financial Statements

We have audited the accompanying financial statements of Christ For All Nations (the "Ministry") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for 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 from 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 auditors' 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 auditors consider internal control relevant to the Ministry'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 Ministry'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 Christ For All Nations as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



July 17, 2017

Christ For All Nations
Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 2,075,765	\$ 1,780,339
Receivables	47,809	127,325
Inventories, net of allowance for obsolete inventory	521,449	416,197
Prepaid expenses	123,107	126,835
Lease deposits	8,584	7,100
Property and equipment, net	<u>3,991,836</u>	<u>4,563,824</u>
Total assets	<u>\$ 6,768,550</u>	<u>\$ 7,021,620</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 450,148</u>	<u>\$ 222,688</u>
Total liabilities	<u>450,148</u>	<u>222,688</u>
Net assets		
Unrestricted	5,318,402	5,499,903
Temporarily restricted	<u>1,000,000</u>	<u>1,299,029</u>
Total net assets	<u>6,318,402</u>	<u>6,798,932</u>
Total liabilities and net assets	<u>\$ 6,768,550</u>	<u>\$ 7,021,620</u>

The Notes to Financial Statements are an integral part of these statements.

Christ For All Nations
Statements of Activities
Years Ended December 31, 2016 and 2015

	2016	2015
Changes in unrestricted net assets		
Support and revenue		
Contributions	\$ 8,480,180	\$ 8,353,564
Other income	26,105	68,292
Net assets released from restrictions	<u>3,834,029</u>	<u>5,691,455</u>
Total unrestricted support and revenue	<u>12,340,314</u>	<u>14,113,311</u>
Expenses		
Program services		
Crusades and outreach	7,316,037	9,124,776
Print media	1,426,674	1,152,329
Television ministry	1,115,399	1,035,905
Web ministry	<u>494,280</u>	<u>562,563</u>
Total program services	<u>10,352,390</u>	<u>11,875,573</u>
Supporting services		
Management and general	1,264,598	1,891,682
Fundraising	<u>904,827</u>	<u>1,376,192</u>
Total supporting services	<u>2,169,425</u>	<u>3,267,874</u>
Total expenses	<u>12,521,815</u>	<u>15,143,447</u>
Decrease in unrestricted net assets	<u>(181,501)</u>	<u>(1,030,136)</u>
Changes in temporarily restricted net assets		
Temporarily restricted contributions	3,535,000	6,853,980
Net assets released from restrictions	<u>(3,834,029)</u>	<u>(5,691,455)</u>
Increase (decrease) in temporarily restricted net assets	<u>(299,029)</u>	<u>1,162,525</u>
Increase (decrease) in net assets	(480,530)	132,389
Net assets, beginning of year	<u>6,798,932</u>	<u>6,666,543</u>
Net assets, end of year	<u>\$ 6,318,402</u>	<u>\$ 6,798,932</u>

The Notes to Financial Statements are an integral part of these statements.

Christ For All Nations
Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Cash received from contributors and customers	\$ 12,120,346	\$ 15,252,353
Interest received	455	207
Cash paid to suppliers and employees	<u>(11,702,799)</u>	<u>(14,394,250)</u>
Net cash provided by operating activities	<u>418,002</u>	<u>858,310</u>
Cash flows from investing activities		
Cash paid for property and equipment	<u>(122,576)</u>	<u>(308,424)</u>
Net cash used in investing activities	<u>(122,576)</u>	<u>(308,424)</u>
Net increase in cash and cash equivalents	295,426	549,886
Cash and cash equivalents		
Beginning of year	<u>1,780,339</u>	<u>1,230,453</u>
End of year	<u>\$ 2,075,765</u>	<u>\$ 1,780,339</u>
Reconciliation of increase (decrease) in net assets to net cash provided by operating activities		
Increase (decrease) in net assets	\$ (480,530)	\$ 132,389
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	694,564	751,980
Loss on sale of property and equipment	-	2,410
Reserve for inventory obsolescence	40,000	40,000
Changes in		
Receivables	79,516	(23,276)
Inventories	(145,252)	(1,823)
Prepaid expenses	3,728	(20,471)
Lease deposits	(1,484)	-
Accounts payable and accrued expenses	<u>227,460</u>	<u>(22,899)</u>
Net cash provided by operating activities	<u>\$ 418,002</u>	<u>\$ 858,310</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Christ For All Nations (the "Ministry") conducts evangelistic crusades throughout the world with an emphasis on the continent of Africa and recently North America. The ministries of Reinhard Bonnke and Daniel Kolenda are central to the operations of the Ministry. Books, audio tapes, conferences, television, and a film seeding project are used by the Ministry to supplement the crusades. The operations of the Ministry are supported primarily by contributions.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Ministry and changes therein are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Ministry and/or the passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Ministry. There were no permanently restricted net assets at December 31, 2016 and 2015.

Allocation of Supporting Services Expenses

The Ministry's policy is to allocate that part of the supporting services expenses associated with programs to the individual programs based on each program's direct program cost to total program costs.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are reported as an increase in unrestricted net assets unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

Unconditional promises to give due within one year are recorded at their net realizable value. Unconditional promises to give due after one year are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2016 and 2015, there are no promises to give.

Cash and Cash Equivalents

Cash and cash equivalents include cash, time deposits, money market funds, and all highly liquid debt instruments with a maturity of three months or less when purchased. The Ministry, from time to time, has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance.

Receivables

Receivables consist primarily of amounts due from affiliates for services provided or products purchased on their behalf and travel advances provided to personnel in advance of ministry events. Receivables are stated at net realizable value. In determining whether or not to record an allowance for doubtful accounts, management makes a judgmental estimate based on the facts and circumstances related to each account. No allowances for doubtful accounts are recognized at December 31, 2016 and 2015.

Inventories

Inventories consist of books, audio tapes, video tapes, CDs, and DVDs featuring the ministries of Reinhard Bonnke and Daniel Kolenda, and are stated at the lower of cost or market. Cost is determined using the average cost method. The inventory reserve is \$240,000 and \$200,000 at December 31, 2016 and 2015, respectively.

Property and Equipment

Property and equipment is recorded at cost. Depreciation is calculated by the straight-line and accelerated methods over the following estimated useful lives:

Office furniture and equipment	3 – 7 years
Automobiles	5 years
Building	7 – 39 years
Leasehold improvements	5 years

Contributed assets are recorded at their estimated fair value at the date of contribution. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Costs of new facilities and improvements are capitalized while repairs and maintenance are expensed as incurred.

Income Taxes

The Ministry is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Ministry in its tax returns. The Ministry's status as an exempt organization is defined as an income tax position under these requirements. While management believes it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by the Ministry in its tax returns may be uncertain. There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Ministry has any material uncertain tax positions at December 31, 2016.

In the event interest and penalties were due relating to an unsustainable tax position, they would be treated as a component of income tax expense.

Subsequent Events

Management has evaluated subsequent events through July 17, 2017, the date which the financial statements were available to be issued. Based upon this evaluation, the Ministry has determined that no subsequent events have occurred which would require adjustment to or disclosure in the financial statements.

2. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 and 2015, consists of the following:

	2016	2015
Office furniture and equipment	\$ 3,651,119	\$ 3,554,268
Automobiles	403,441	417,805
Land	569,625	569,625
Building	2,875,292	2,875,292
Leasehold improvements	19,737	-
	<u>7,519,214</u>	<u>7,416,990</u>
Less accumulated depreciation	<u>3,527,378</u>	<u>2,853,166</u>
	<u><u>\$ 3,991,836</u></u>	<u><u>\$ 4,563,824</u></u>

Depreciation expense for the years ended December 31, 2016 and 2015, was \$694,564 and \$751,980, respectively.

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2016 and 2015, consists of funds primarily restricted for use in conjunction with crusades expenses. Additionally, funds of zero and \$6,423 restricted for evangelism training scholarships for students existed at December 31, 2016 and 2015, respectively.

4. RETIREMENT PLAN AND DEFERRED COMPENSATION

The Ministry maintains a SIMPLE retirement plan for substantially all employees. Employees defer a portion of their compensation into the plan, and the Ministry makes a matching contribution up to 3% of gross wages. The matching contribution amounted to \$86,253 and \$73,690, respectively, for the years ended December 31, 2016 and 2015.

The Ministry has a deferred compensation plan in place that would compensate, as a surviving spouse, the wife of a certain employee of the Ministry. According to the plan, if the employee predeceases his wife, the Ministry will pay her \$180,000 per year as long as she is living.

Christ For All Nations
Notes to Financial Statements
December 31, 2016 and 2015

5. LEASES

The Ministry conducted its crusade operations from leased space and rented a warehouse for storage of its inventory. Both leases are classified as operating leases. In addition, the Ministry had short-term leases on facilities for some of their events. Rent expense for the years ended December 31, 2016 and 2015, consists of the following:

	2016	2015
Space leased for storage of inventory, ministry operations, and equipment rental	\$ 53,906	\$ 70,192
Event space leased for ministry operation	<u>220,080</u>	<u>390,504</u>
	<u><u>\$ 273,986</u></u>	<u><u>\$ 460,696</u></u>

6. RELATED PARTY TRANSACTIONS

Transactions With Harvester Services, Inc.

Harvester Services, Inc. ("Harvester") is a for-profit corporation owned by Reinhard Bonnke and his wife that holds the intellectual property for the books he has written and other media produced that includes his sermons.

Transactions with Harvester for the years ended December 31, 2016 and 2015, consist of payments for product sales in the amount of \$91,655 and \$134,218, respectively.

Transactions With Foreign Christ For All Nations Offices

The Ministry is affiliated with not-for-profit organizations in other nations that also use the name Christ For All Nations. These affiliates have some common board members with the Ministry and leverage the Ministry's donor management initiatives for their own offices. Accordingly, these affiliates reimburse the Ministry for expenses paid on their behalf plus a management fee for certain expenses incurred. During the years ended December 31, 2016 and 2015, the remittances from these offices for such reimbursements totaled approximately \$391,994 and \$407,774, respectively. Receivables at December 31, 2016 and 2015, include amounts from these affiliates of \$10,061 and \$103,540, respectively. These amounts are net of credit balances of \$11,989 and zero at December 31, 2016 and 2015, respectively. In addition, the following other payments were made to these affiliates:

	2016	2015
Payments for office administration fees and crusade production	<u>\$ 1,112,000</u>	<u>\$ 1,135,100</u>

7. CONCENTRATIONS OF SUPPORT

During the years ended December 31, 2016 and 2015, four donors provided \$4,745,000 and \$7,650,000, respectively, of total support.