



DONOVAN, KLIMCZAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

**INDIA GOSPEL LEAGUE, INC.
NORTH AMERICA
(a nonprofit organization)**

Financial Statements
December 31, 2017
With Summarized Comparative Information for December 31, 2016

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA

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DONOVAN, KLIMCZAK & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
India Gospel League, Inc. North America

We have audited the accompanying financial statements of India Gospel League, Inc. North America (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017 and the related statements of activities 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 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 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 India Gospel League, Inc. North America as of December 31, 2017, 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.

Report on Summarized Comparative Information

The financial statements as of and for the year ended December 31, 2016 were audited by Sikich LLP, whose report dated March 21, 2017 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The 2017 supplemental schedules of functional expenses and temporarily restricted net assets are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects to the financial statements as a whole.

The 2016 supplemental schedules of functional expenses and temporarily restricted net assets were subjected to the auditing procedures applied in the 2016 audit of the basic financial statements by other auditors, whose report on such information stated it was fairly stated in all material respects in relation to the 2016 financial statements as a whole.

Donovan, Klimczak and Company

Donovan, Klimczak and Company
Certified Public Accountants

May 8, 2018

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
 Statements of Financial Position
 December 31, 2017
 With Summarized Comparative Information for December 31, 2016

	2017	2016
ASSETS		
Cash	\$ 893,527	\$ 1,014,951
Prepaid expenses and other assets	14,293	7,788
Property and equipment, net of depreciation	5,547	7,177
TOTAL ASSETS	\$ 913,367	\$ 1,029,916
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 4,787	\$ 3,879
Total Liabilities	4,787	3,879
Net assets		
Unrestricted	165,209	161,843
Temporarily restricted	743,371	864,194
Total Net Assets	908,580	1,026,037
TOTAL LIABILITIES AND NET ASSETS	\$ 913,367	\$ 1,029,916

The accompanying notes are an integral part of these financial statements.

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Statements of Activity
For The Year Ended December 31, 2017
With Summarized Comparative Information for the Year Ended December 31, 2017

	2017			2016 Totals
	Unrestricted	Temporarily Restricted	Total	
Public support and revenue				
Contributions	\$ 349,344	\$ 3,096,525	\$ 3,445,869	\$ 3,564,280
Interest income	394	-	394	99
Gain on Sale of Assets	76	-	76	-
Net assets released from restrictions	<u>3,217,348</u>	<u>(3,217,348)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>3,567,162</u>	<u>(120,823)</u>	<u>3,446,339</u>	<u>3,564,379</u>
Expenses				
Program services	2,941,108	-	2,941,108	2,735,120
Management and general	311,123	-	311,123	288,891
Fundraising	<u>311,565</u>	<u>-</u>	<u>311,565</u>	<u>233,048</u>
Total Expenses	<u>3,563,796</u>	<u>-</u>	<u>3,563,796</u>	<u>3,257,059</u>
Change in Net Assets	3,366	(120,823)	(117,457)	307,320
Net assets, beginning of year	<u>161,843</u>	<u>864,194</u>	<u>1,026,037</u>	<u>718,717</u>
Net assets, end of year	<u>\$ 165,209</u>	<u>\$ 743,371</u>	<u>\$ 908,580</u>	<u>\$ 1,026,037</u>

The accompanying notes are an integral part of these financial statements.

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Statements of Cash Flows
For The Year Ended December 31, 2017
With Summarized Comparative Information for Year Ended December 31, 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) Increase in Net Assets	\$ (117,457)	\$ 307,320
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,837	3,717
Gain on Sale of Assets	(76)	-
Changes in assets and liabilities:		
Prepaid expenses and other assets	(6,505)	5,632
Accounts payable and accrued expenses	908	(16,187)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(120,293)	300,482
 CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(2,280)	(2,035)
Proceeds from Sale of Fixed Assets	1,149	-
Proceeds from Sale of Investments	-	140,050
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(1,131)	138,015
 NET (DECREASE) INCREASE IN CASH	(121,424)	438,497
CASH AT BEGINNING OF THE YEAR	1,014,951	576,454
CASH AT END OF THE YEAR	\$ 893,527	\$ 1,014,951

The accompanying notes are an integral part of these financial statements.

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Notes to Financial Statements
December 31, 2017

With summarized comparative financial information for the year ended December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

In 1994, India Gospel League, Inc. North America was established in the United States of America as a 501(c)(3) corporation for the purpose of promoting and funding the mission of India Gospel League in India; to plant and develop Christian churches in the villages and rural communities of India. The mission of India Gospel League, Inc. North America is to raise awareness and encourage involvement and support among the people of North America for the India Gospel League's evangelism, discipleship, church planting, education, agricultural assistance, economic empowerment and medical programs. It provides information, raises financial support, establishes prayer coverage, sends training teams, and secures sponsorship for Indian children, children's gospel clubs, barefoot pastors, bible students, villages and entire regions where the gospel has not yet penetrated.

Basis of Accounting

The financial statements of India Gospel League, Inc. North America are prepared in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets from restrictions.

Overhead Fee

The organization has a policy of designating up to 18% of restricted contributions to cover administrative and overhead expenses, which totaled \$454,539 in 2017 and \$476,638 in 2016. The applied overhead fee was approximately 15% for 2017 and 2016.

Contributed Services

Contributed services are recognized as revenues at their estimated fair value only when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

Financial Statement Presentation

In accordance with generally accepted accounting principles, India Gospel League, Inc. North America reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in financial institutions and certificates of deposit with original maturity dates at issue of twelve months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Concentrations of Credit Risks

India Gospel League, Inc. North America maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. India Gospel League, Inc. North America's uninsured cash balances exceeded limits by approximately \$628,000 at December 31, 2017 and \$765,000 at December 31, 2016. India Gospel League, Inc. North America has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its balances.

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Notes to Financial Statements (Continued)
December 31, 2017

With summarized comparative financial information for the year ended December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are stated at fair market value in the statement of financial position. Gains and losses (realized and unrealized) on investments are recognized as changes in net assets in the period in which they occur and investment income is recognized as revenue in the period earned. There were no investments at December 31, 2017 and 2016.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets include items such as prepaid insurance, deposits, and trademarks.

Property and Equipment

All acquisitions of property and equipment in excess of \$250 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expenses totaled \$2,837 in 2017 and \$3,717 in 2016.

Contributions of property and equipment are recorded as unrestricted support, unless the donor has restricted the donated asset to a specific purpose. Contributions of cash or other assets received with a restriction that they be used to acquire fixed assets are initially recognized as temporarily restricted revenues. The restrictions on those contributions expire when the fixed assets are placed in service, and the net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Functional Expenses

The costs of providing the various programs and activities have been reported on a functional basis in the Statement of Functional Expenses. Any expenses not directly chargeable to a program or function are allocated based on units of service, and support costs are allocated based on indirect cost allocations.

Use of 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.

Summarized Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by functional basis and net asset class. Such information, which was not audited by us, does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2016 from which the summarized information was derived.

Tax Status

India Gospel League, Inc. North America is a tax exempt not-for-profit corporation organized under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been included in these financial statements.

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Notes to Financial Statements (Continued)
December 31, 2017

With summarized comparative financial information for the year ended December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events are events or transactions that occur after year end but before the financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, non-recognized subsequent events). On April 1, 2018, India Gospel League, Inc. North America entered into a new five year operating lease to build out and rent a 2,816 square foot office located in Hudson, Ohio.

Date of Management's Review

Subsequent events were evaluated through May 8, 2018, which is the date the financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31:

	2017	2016
General checking	\$ 683,375	\$ 397,729
Money market funds	144,542	569,148
Stevens India Missions Fund checking	65,610	48,074
	\$ 893,527	\$ 1,014,951

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment include the following at December 31:

	2017	2016
Office furniture	\$ 12,450	\$ 12,450
Computers and software	20,899	20,018
	33,349	32,468
Less accumulated depreciation	(27,802)	(25,291)
Property and equipment, net	\$ 5,547	\$ 7,177

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Notes to Financial Statements (Continued)
December 31, 2017

With summarized comparative financial information for the year ended December 31, 2016

NOTE D - NET ASSETS

Unrestricted net assets include the following as of December 31:

	2017	2016
Net investment in property and equipment	\$ 5,547	\$ 7,177
Operating surplus	159,662	154,666
	\$ 165,209	\$ 161,843

Temporarily restricted net assets are restricted for the following as of December 31:

	2017	2016
Various India Programs	\$ 639,348	\$ 736,919
Child Sponsorship	104,023	127,275
	\$ 743,371	\$ 864,194

Net assets totaling \$3,217,348 in 2017 and \$2,841,540 in 2016 were released from restrictions by incurring expenditures that satisfied the restricted purposes or by occurrence of other events specified by the donors. If there are excess temporarily restricted assets designated toward a project, the donor determines whether the assets may be used toward other projects or transferred to the general fund.

NOTE E - RETIREMENT SAVINGS PLAN

The organization sponsors a 403(b) retirement savings plan. Employees must complete 6 months of service and be 21 years of age before being eligible to participate in the plan. The organization may match 100% of the qualified employee's contribution under this plan up to 3% of the employee's salary. In addition, the organization may make a discretionary contribution at the discretion of the organization's board of directors. The organization made \$2,400 contributions in 2017 and \$600 contributions in 2016.

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Notes to Financial Statements (Continued)
December 31, 2017

With summarized comparative financial information for the year ended December 31, 2016

NOTE F - OPERATING LEASES

The organization leased office space in Hudson, Ohio under a lease agreement that expired in November 2017 with a month to month rent of \$1,971 till the effective date of the new lease agreement. April 1, 2018, the organization entered into the operating lease agreement for 2,816 square feet of office space in Hudson, Ohio under a five-year lease expiring March 31, 2023 with two additional three-year renewal terms at Fair Market Value. The lease requires monthly base rental of \$3,051 through March 31, 2020 and \$3,168 through March 31, 2023. In addition to the monthly base rental, additional rent includes a prorated share of Operating Expenses, Taxes and Insurance. Rental payments in 2017 and 2016 were \$1,971 per month. Lease expense totaled \$24,705 in 2017 and \$24,684 in 2016.

At December 31, 2017, minimum annual base rentals under non-cancelable leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2018	\$ 27,456
2019	36,608
2020	37,664
2021	38,016
2022	38,016
2023	9,504
	<u>\$187,264</u>

The organization also leases office equipment under an operating lease expiring December 2018.

At December 31, 2017, the remaining annual rentals for this non-cancelable leases is \$3,595 for 2018.

NOTE G - RELATED PARTY TRANSACTIONS

India Gospel League, Inc. North America is related through common board leadership with India Gospel League. Rev. Samuel D. Stephens serves as President for both organizations. Grants paid to India Gospel League totaled \$2,632,689 in 2017 and \$2,590,213 in 2016.

NOTE H - MAJOR DONORS

Donations from the organization's largest donors totaled 34% of contribution revenue in 2017 and 23% in 2016.

SUPPLEMENTAL INFORMATION

INDIA GOSPEL LEAGUE
Statement of Functional Expenses
For The Year Ended December 31, 2017
With Summarized Comparative Information for the Year Ended December 31, 2016

	2017				2016 Totals
	Program Services	Management and General	Fundraising	Total	
Personnel Expenses					
Salaries	\$ 37,117	\$ 159,417	\$ 30,610	\$ 227,144	\$ 201,933
Payroll taxes	4,184	17,970	3,452	25,606	18,502
Employee benefits	420	1,805	347	2,572	15,739
Total Personnel Expenses	41,721	179,192	34,409	255,322	236,174
Conferences	-	-	39,722	39,722	42,975
Depreciation	-	2,837	-	2,837	3,717
Grants to related party	2,632,689	-	-	2,632,689	2,590,213
Insurance	-	1,294	-	1,294	1,268
Meals and entertainment	-	110	-	110	818
Merchant fees	-	10,738	-	10,738	10,434
Miscellaneous	-	276	2,646	2,922	4,647
Office expense	7,716	31,205	-	38,921	39,960
Postage and delivery	-	9,345	5,956	15,301	13,155
Printing and copying	-	10,672	-	10,672	9,974
Professional fees	-	14,696	-	14,696	10,026
Publication and promotion	83,077	3,974	98,353	185,404	76,469
Regional field representatives	-	-	121,317	121,317	60,916
Rent	-	24,705	-	24,705	24,684
Seminars and meetings	-	-	327	327	1,479
Subscriptions and dues	-	2,035	-	2,035	1,813
Support trips to India	154,829	-	-	154,829	81,149
Telephone and communications	-	6,191	-	6,191	4,588
Training	533	2,180	-	2,713	4,505
Travel	20,543	11,105	8,835	40,483	37,721
Utilities	-	568	-	568	374
Total functional expenses	\$ 2,941,108	\$ 311,123	\$ 311,565	\$ 3,563,796	\$ 3,257,059

The accompanying notes are an integral part of these financial statements.

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Supplemental Schedule of Temporarily Restricted Net Assets
For the Year Ended December 31, 2017

With Summarized Comparative Information for the Year Ended December 31, 2016

Temporarily restricted India net assets:	2017	2016
Adopt-a-Family	\$ 123	\$ 123
Adopt-a-Region	194,953	206,564
Adopt-a-Village	70,964	20,243
Andhra Pradesh Mission Base	48	48
Barefoot Pastors	25,019	125,058
Bethel Home	33	33
Bible Students	2,166	2,026
Bibles for India	889	2,338
Buildings	1,209	911
Child Sponsorship	39,092	60,168
Children's Gospel Club	4,112	3
Church Buildings/Life Centers	85,238	59,359
Cincinnati Consortium	17	17
CWC	16,720	-
Decadai Celebration	198	198
Equipment in India	6,847	8,755
Erode Mission Base	13	13
Gift Catalog	40,010	18,845
Hebron Home	19	19
KCIP	12,231	26,821
Krupa	126	426
Leadership Training	7,138	5,328
Leprosy Victims	926	1,245
Maharashtra (WFC) at Chandrapur	76	4,251
National Pastor Training (NPT)	3,264	2,264
NE India	46	46
Nursing Students	1,548	305
Open Arms	82	3,432
Pediatric Wing Addition	19	19
Rebekah Home	69	69
Relief	398	4,313
Sharon Cancer Center	37,114	102,944
Stephens India Missions Fund	12,625	6,932
Trips	4,570	1,280
Urgent Needs	19,574	4,809
Wells	42,362	54,070
Wichita (WIP)	9,510	10,820
Women With a Mission	-	1,927
Youth Mission	-	897
Total temporarily restricted India net assets	639,348	736,919
Temporarily restricted U.S. net assets:		
Child Sponsorship	104,023	127,275
Total Temporarily Restricted Net Assets	\$ 743,371	\$ 864,194

The accompanying notes are an integral part of these financial statements.