

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

Financial Statements  
December 31, 2018  
With Summarized Comparative  
Information for December 31, 2017

**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 statements of financial position as of December 31, 2018 and 2017 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.

### **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, 2018 and 2017, 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The 2018 and 2017 supplemental schedules of functional expenses and net assets with donor restrictions 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.

*Donovan, Klimczak and Company*

Donovan, Klimczak and Company  
Certified Public Accountants

April 17, 2019

**INDIA GOSPEL LEAGUE, INC. NORTH AMERICA**  
**Statements of Financial Position**  
**December 31, 2018**  
**With Summarized Comparative Information for December 31, 2017**

	2018	2017
<b>ASSETS</b>		
Cash	\$ 502,581	\$ 893,527
Prepaid expenses and other assets	20,120	14,293
Property and equipment, net of depreciation	17,474	5,547
<b>TOTAL ASSETS</b>	<b>\$ 540,175</b>	<b>\$ 913,367</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 737	\$ 4,787
<b>Total Liabilities</b>	<b>737</b>	<b>4,787</b>
Net assets		
Without donor restrictions	62,941	165,209
With donor restrictions	476,497	743,371
<b>Total Net Assets</b>	<b>539,438</b>	<b>908,580</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 540,175</b>	<b>\$ 913,367</b>

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, 2018**  
**With Summarized Comparative Information for the Year Ended December 31, 2017**

	2018			2017 Totals
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Public support and revenue</b>				
Contributions	\$ 475,803	\$ 2,629,132	\$ 3,104,935	\$ 3,445,869
Interest income	77	-	77	394
Gain on Sale of Assets	(110)	-	(110)	76
Net assets released from restrictions	<u>2,896,006</u>	<u>(2,896,006)</u>	<u>-</u>	<u>-</u>
<b>Total Public Support and Revenue</b>	<u>3,371,776</u>	<u>(266,874)</u>	<u>3,104,902</u>	<u>3,446,339</u>
<b>Expenses</b>				
Program services	2,683,389	-	2,683,389	2,941,108
Management and general	388,948	-	388,948	311,123
Fundraising	<u>401,707</u>	<u>-</u>	<u>401,707</u>	<u>311,565</u>
<b>Total Expenses</b>	<u>3,474,044</u>	<u>-</u>	<u>3,474,044</u>	<u>3,563,796</u>
<b>Change in Net Assets</b>	(102,268)	(266,874)	(369,142)	(117,457)
Net assets, beginning of year	<u>165,209</u>	<u>743,371</u>	<u>908,580</u>	<u>1,026,037</u>
Net assets, end of year	<u>\$ 62,941</u>	<u>\$ 476,497</u>	<u>\$ 539,438</u>	<u>\$ 908,580</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, 2018**  
**With Summarized Comparative Information for Year Ended December 31, 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Decrease in Net Assets	\$ (369,142)	\$ (117,457)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,755	2,837
Gain on Sale of Assets	-	(76)
Changes in assets and liabilities:		
Prepaid expenses and other assets	(5,827)	(6,505)
Accounts payable and accrued expenses	(4,050)	908
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(374,264)</u>	<u>(120,293)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(16,682)	(2,280)
Proceeds from Sale of Fixed Assets	<u>-</u>	<u>1,149</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(16,682)</u>	<u>(1,131)</u>
 <b>NET DECREASE INCREASE IN CASH</b>	(390,946)	(121,424)
<b>CASH AT BEGINNING OF THE YEAR</b>	<u>893,527</u>	<u>1,014,951</u>
<b>CASH AT END OF THE YEAR</b>	<u>\$ 502,581</u>	<u>\$ 893,527</u>

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

**INDIA GOSPEL LEAGUE, INC. NORTH AMERICA**  
**Notes to Financial Statements**  
**December 31, 2018**

**With summarized comparative financial information for the year ended December 31, 2017**

**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 support with, or without restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released 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 \$392,882 in 2018 and \$454,539 in 2017. The applied overhead fee was approximately 15% for 2018 and 2017.

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 two classes of net assets, described as follows:

- Net Assets Without Donor Restrictions; includes net assets with no grantor or donor imposed restrictions on the use of the funds.
- Net Assets With Donor Restrictions; includes net assets with grantor or donor imposed restrictions on the use of the funds.

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.



**INDIA GOSPEL LEAGUE, INC. NORTH AMERICA**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018**

**With summarized comparative financial information for the year ended December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 \$220,786 at December 31, 2018 and \$547,917 at December 31, 2017. 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.

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, 2018 and 2017.

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 \$4,755 in 2018 and \$2,837 in 2017.

Contributions of property and equipment are recorded as support without donor restrictions, 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 support with donor restrictions. The restrictions on those contributions expire when the fixed assets are placed in service, and the net assets are reclassified to net assets without donor restrictions 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, 2017 from which the summarized information was derived.

**INDIA GOSPEL LEAGUE, INC. NORTH AMERICA**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018**

**With summarized comparative financial information for the year ended December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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 April 17, 2019, which is the date the financial statements were available to be issued.

**NOTE B – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization has \$510,081 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of \$502,581 in cash and \$7,500 in receivables. None of the financial assets are subject to restrictions that would make them unavailable for general expenditures within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash and receivables that are structured to be available as its general expenditures, liabilities and other obligations come due.

**NOTE C - CASH AND CASH EQUIVALENTS**

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

	<u>2018</u>	<u>2017</u>
General checking	\$ 466,178	\$ 688,375
Money market funds	4,619	144,542
Stevens India Missions Fund checking	<u>31,794</u>	<u>65,610</u>
	<u>\$ 502,581</u>	<u>\$ 893,527</u>

**INDIA GOSPEL LEAGUE, INC. NORTH AMERICA**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018**

**With summarized comparative financial information for the year ended December 31, 2017**

**NOTE D - PROPERTY AND EQUIPMENT**

Property and equipment include the following at December 31:

	2018	2017
Office furniture	\$ 27,905	\$ 12,450
Computers and software	22,126	20,899
	50,031	33,349
Less accumulated depreciation	(32,557)	(27,802)
Property and equipment, net	\$ 17,474	\$ 5,547

**NOTE E - NET ASSETS**

Net assets without donor restrictions include the following as of December 31:

	2018	2017
Net investment in property and equipment	\$ 17,474	\$ 5,547
Operating surplus	45,467	159,662
	\$ 62,941	\$ 165,209

Net assets with donor restrictions are restricted for the following as of December 31:

	2018	2017
Various India Programs	\$ 403,886	\$ 639,348
Child Sponsorship	72,611	104,023
	\$ 476,497	\$ 743,371

Net assets totaling \$2,896,006 in 2018 and \$3,217,348 in 2017 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 F - 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 in contributions in both 2018 and 2017.

**INDIA GOSPEL LEAGUE, INC. NORTH AMERICA**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018**

**With summarized comparative financial information for the year ended December 31, 2017**

**NOTE G - 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. Lease expense totaled \$40,644 in 2018 and \$24,705 in 2017.

At December 31, 2018, minimum annual base rentals under non-cancelable leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2019	\$ 36,608
2020	37,664
2021	38,016
2022	38,016
2023	<u>9,504</u>
	<u>\$159,808</u>

**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 \$2,402,765 in 2018 and \$2,632,689 in 2017.

**NOTE H - MAJOR DONORS**

Donations from the organization's largest donors totaled 29% of contribution revenue in 2018 and 34% of in 2017.

**SUPPLEMENTAL INFORMATION**

**INDIA GOSPEL LEAGUE**  
**Statement of Functional Expenses**  
**For The Year Ended December 31, 2018**  
**With Summarized Comparative Information for the Year Ended December 31, 2017**

	2018				2017 Totals
	Program Services	Management and General	Fundraising	Total	
Personnel Expenses					
Salaries	\$ 39,163	\$ 181,535	\$ 18,191	\$ 238,889	\$ 227,144
Payroll taxes	4,545	20,851	2,088	27,484	25,606
Employee benefits	451	2,088	209	2,748	2,572
<u>Total Personnel Expenses</u>	44,159	204,474	20,488	269,121	255,322
Conferences	-	-	51,814	51,814	39,722
Depreciation	-	4,755	-	4,755	2,837
Grants to related party	2,402,665	-	-	2,402,665	2,632,689
Insurance	-	1,325	-	1,325	1,294
Meals and entertainment	-	1,054	-	1,054	110
Merchant fees	-	11,227	-	11,227	10,738
Miscellaneous	-	1,033	1,701	2,734	2,922
Office expense	12,983	43,829	-	56,812	38,921
Postage and delivery	-	9,264	3,225	12,489	15,301
Printing and copying	-	11,022	-	11,022	10,672
Professional fees	-	12,197	-	12,197	14,696
Publication and promotion	70,893	2,987	193,765	267,645	185,404
Regional field representatives	-	-	124,400	124,400	121,317
Rent	-	45,374	-	45,374	24,705
Seminars and meetings	-	-	807	807	327
Subscriptions and dues	-	2,125	-	2,125	2,035
Support trips to India	119,420	-	-	119,420	154,829
Telephone and communications	-	5,208	-	5,208	6,191
Training	-	-	-	-	2,713
Travel	33,269	28,837	5,507	67,613	40,483
Utilities	-	4,237	-	4,237	568
<b>Total functional expenses</b>	<b>\$ 2,683,389</b>	<b>\$ 388,948</b>	<b>\$ 401,707</b>	<b>\$ 3,474,044</b>	<b>\$ 3,563,796</b>

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

**INDIA GOSPEL LEAGUE, INC. NORTH AMERICA**  
**Supplemental Schedule of Net Assets with Donor Restrictions**  
**For the Year Ended December 31, 2018**

**With Summarized Comparative Information for the Year Ended December 31, 2017**

India net assets with donor restrictions:	2018	2017
Adopt-a-Family	\$ 123	\$ 123
Adopt-a-Region	58,750	194,953
Adopt-a-Village	5,231	70,964
Andhra Pradesh Mission Base	48	48
Barefoot Pastors	13,551	25,019
Bethel Home	33	33
Bible Students	1,021	2,166
Bibles for India	1,728	889
Buildings	200	1,209
Child Sponsorship	32,655	39,092
Children's Gospel Club	15,602	4,112
Church Buildings/Life Centers	16,527	85,238
Cincinnati Consortium	17	17
CWC	87	16,720
Decadai Celebration	198	198
Equipment in India	134,670	6,847
Erode Mission Base	12	13
Gift Catalog	16,635	40,010
Hebron Home	19	19
KCIP	2,156	12,231
Krupa	126	126
Leadership Training	675	7,138
Leprosy Victims	1,350	926
Maharashtra (WFC) at Chandrapur	1,775	76
National Pastor Training (NPT)	8,787	3,264
NE India	10	46
Nursing Students	3,892	1,548
Open Arms	82	82
Pediatric Wing Addition	20	19
Rebekah Home	69	69
Relief	15,816	398
Sharon Cancer Center	15,433	37,114
Stephens India Missions Fund	(6,777)	12,625
Trips	(35)	4,570
Urgent Needs	15,738	19,574
Wells	41,103	42,362
Wichita (WIP)	8,004	9,510
Women With a Mission	(2,171)	-
Youth Mission	726	-
Total India net assets with donor restrictions	403,886	639,348
U.S. net assets with donor restrictions:		
Child Sponsorship	72,611	104,023
Total Net Assets with Donor Restrictions	\$ 476,497	\$ 743,371

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