

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

Financial Statements
December 31, 2019
With Summarized Comparative
Information for December 31, 2018

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA

Table of Contents

	<u>Page</u>
Report of Independent Auditors	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7-11
Supplemental Information:	
Schedule of Net Assets with Donor Restrictions	12



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, 2019 and 2018 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, 2019 and 2018, 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 2019 and 2018 supplemental schedule of net assets with donor restrictions is 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, 2020

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Statements of Financial Position
December 31, 2019
With Summarized Comparative Information for December 31, 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 627,453	\$ 502,581
Prepaid expenses and other assets	21,471	20,120
Property and equipment, net of depreciation	<u>11,621</u>	<u>17,474</u>
TOTAL ASSETS	<u>\$ 660,545</u>	<u>\$ 540,175</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	<u>\$ 576</u>	<u>\$ 737</u>
Total Liabilities	<u>576</u>	<u>737</u>
Net assets		
Without donor restrictions	233,000	62,941
With donor restrictions	<u>426,969</u>	<u>476,497</u>
Total Net Assets	<u>659,969</u>	<u>539,438</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 660,545</u>	<u>\$ 540,175</u>

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, 2019
With Summarized Comparative Information for the Year Ended December 31, 2018

	2019			2018 Totals
	Without Donor Restrictions	With Donor Restrictions	Total	
Public support and revenue				
Contributions	\$ 638,985	\$ 2,820,806	\$ 3,459,791	\$ 3,104,935
Interest income	1	-	1	77
Gain on Sale of Assets	34	-	34	(110)
Net assets released from restrictions	<u>2,870,334</u>	<u>(2,870,334)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>3,509,354</u>	<u>(49,528)</u>	<u>3,459,826</u>	<u>3,104,902</u>
Expenses				
Program services	2,619,477	-	2,619,477	2,683,389
Management and general	437,322	-	437,322	388,948
Fundraising	<u>282,496</u>	<u>-</u>	<u>282,496</u>	<u>401,707</u>
Total Expenses	<u>3,339,295</u>	<u>-</u>	<u>3,339,295</u>	<u>3,474,044</u>
Change in Net Assets	170,059	(49,528)	120,531	(369,142)
Net assets, beginning of year	<u>62,941</u>	<u>476,497</u>	<u>539,438</u>	<u>908,580</u>
Net assets, end of year	<u>\$ 233,000</u>	<u>\$ 426,969</u>	<u>\$ 659,969</u>	<u>\$ 539,438</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, 2019
With Summarized Comparative Information for Year Ended December 31, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase(Decrease) in Net Assets	\$ 120,531	\$ (369,142)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,853	4,755
Changes in assets and liabilities:		
Prepaid expenses and other assets	(1,351)	(5,827)
Accounts payable and accrued expenses	(161)	(4,050)
NET CASH USED BY OPERATING ACTIVITIES	124,872	(374,264)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	-	(16,682)
NET CASH USED BY INVESTING ACTIVITIES	-	(16,682)
 NET DECREASE INCREASE IN CASH	124,872	(390,946)
CASH AT BEGINNING OF THE YEAR	502,581	893,527
CASH AT END OF THE YEAR	\$ 627,453	\$ 502,581

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

INDIA GOSPEL LEAGUE
Statement of Functional Expenses
For The Year Ended December 31, 2019
With Summarized Comparative Information for the Year Ended December 31, 2018

	2019				2018
	Program Services	Management and General	Fundraising	Total	
Personnel Expenses					
Salaries	\$ 35,314	\$ 187,734	\$ 11,613	\$ 234,661	\$ 238,889
Payroll taxes	4,266	22,676	1,403	28,345	27,484
Employee benefits	2,389	12,698	786	15,873	2,748
Total Personnel Expenses	41,969	223,108	13,802	278,879	269,121
Conferences	-	-	18,030	18,030	51,814
Depreciation	-	5,853	-	5,853	4,755
Grants to related party	2,412,994	-	-	2,412,994	2,402,665
Insurance	-	1,374	-	1,374	1,325
Meals and entertainment	-	8	-	8	1,054
Merchant fees	-	22,240	-	22,240	11,227
Miscellaneous	-	3,007	1,978	4,985	2,734
Office expense	7,373	87,879	-	95,252	56,812
Postage and delivery	-	9,529	3,309	12,838	12,489
Printing and copying	-	7,520	-	7,520	11,022
Professional fees	-	10,718	-	10,718	12,197
Publication and promotion	44,380	3,525	135,463	183,368	267,645
Regional field representatives	-	-	102,754	102,754	124,400
Rent	-	37,684	-	37,684	45,374
Seminars and meetings	-	-	1,421	1,421	807
Subscriptions and dues	-	1,896	-	1,896	2,125
Support trips to India	93,253	-	-	93,253	119,420
Telephone and communications	-	4,667	-	4,667	5,208
Training	-	250	-	250	-
Travel	19,508	13,267	5,739	38,514	67,613
Utilities	-	4,797	-	4,797	4,237
Total functional expenses	\$ 2,619,477	\$ 437,322	\$ 282,496	\$ 3,339,295	\$ 3,474,044

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

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Notes to Financial Statements
December 31, 2019

With summarized comparative financial information for the year ended December 31, 2018

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 \$418,204 in 2019 and \$392,882 in 2018. The applied overhead fee was approximately 15% for 2019 and 2018.

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, 2019

With summarized comparative financial information for the year ended December 31, 2018

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 \$359,440 at December 31, 2019 and \$220,786 at December 31, 2018. 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, 2019 and 2018.

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 evaluated for capitalization. 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 \$5,853 in 2019 and \$4,755 in 2018.

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, 2018 from which the summarized information was derived.

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Notes to Financial Statements (Continued)
December 31, 2019

With summarized comparative financial information for the year ended December 31, 2018

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, 2020, which is the date the financial statements were available to be issued.

NOTE B – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has \$634,953 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of \$627,453 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:

	2019	2018
General checking	\$ 604,820	\$ 466,168
Money market funds	4,620	4,619
Stevens India Missions Fund checking	18,013	31,794
	\$ 627,453	\$ 502,581

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Notes to Financial Statements (Continued)
December 31, 2019

With summarized comparative financial information for the year ended December 31, 2018

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment include the following at December 31:

	2019	2018
Office furniture	\$ 27,905	\$ 27,905
Computers and software	22,126	22,126
	50,031	50,031
Less accumulated depreciation	(38,410)	(32,557)
Property and equipment, net	\$ 11,621	\$ 17,474

NOTE E - NET ASSETS

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

	2019	2018
Net investment in property and equipment	\$ 11,621	\$ 17,474
Operating surplus	221,379	45,467
	\$ 233,000	\$ 62,941

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

	2019	2018
Various India Programs	\$ 342,421	\$ 403,886
Child Sponsorship	84,548	72,611
	\$ 426,969	\$ 476,497

Net assets totaling \$2,870,334 in 2019 and \$2,896,006 in 2018 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 \$3,150 in contributions in 2019 and \$2,400 in 2018.

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Notes to Financial Statements (Continued)
December 31, 2019

With summarized comparative financial information for the year ended December 31, 2018

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 \$37,684 in 2019 and \$40,644 in 2018.

At December 31, 2019, minimum annual base rentals under non-cancelable leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2020	\$ 37,664
2021	38,016
2022	38,016
2023	<u>9,504</u>
	<u>\$123,200</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 \$2,412,994 in 2019 and \$2,402,665 in 2018.

NOTE H - MAJOR DONORS

Donations from the organization's largest donors totaled 25% of contribution revenue in 2019 and 29% of contribution revenue in 2018.

SUPPLEMENTAL INFORMATION

INDIA GOSPEL LEAGUE, INC. NORTH AMERICA
Supplemental Schedule of Net Assets with Donor Restrictions
For the Year Ended December 31, 2019

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

India net assets with donor restrictions:	2019	2018
Adopt-a-Family	\$ 123	\$ 123
Adopt-a-Region	11,883	58,750
Adopt-a-Village	95,126	5,231
Andhra Pradesh Mission Base	48	48
Barefoot Pastors	14,231	13,551
Bethel Home	33	33
Bible Students	658	1,021
Bibles for India	2,088	1,728
Buildings	200	200
Child Sponsorship	28,070	32,655
Children's Gospel Club	17,245	15,602
Church Buildings/Life Centers	-	16,527
Cincinnati Consortium	17	17
CWC	15,570	87
Decadai Celebration	198	198
Equipment in India	21,510	134,670
Erode Mission Base	13	12
Gift Catalog	6,816	16,635
Goldrop Consultancy Services	2,100	-
Hebron Home	20	19
KCIP	48	2,156
Krupa	126	126
Leadership Training	352	675
Leprosy Victims	930	1,350
Life Centers	14,823	-
Maharashtra (WFC) at Chandrapur	8	1,775
National Pastor Training (NPT)	5,010	8,787
NE India	4	10
Nursing Students	2,214	3,892
Open Arms	83	82
Pediatric Wing Addition	19	20
Rebekah Home	69	69
Relief	48	15,816
Sharon Cancer Center	27,551	15,433
Stephens India Missions Fund	19,738	(6,777)
Trips	(12,222)	(35)
Urgent Needs	14,297	15,738
Wells	55,902	41,103
Wichita (WIP)	3,301	8,004
Women With a Mission	(3,748)	(2,171)
Youth Mission	(2,081)	726
Total India net assets with donor restrictions	342,421	403,886
U.S. net assets with donor restrictions:		
Child Sponsorship	84,548	72,611
Total Net Assets with Donor Restrictions	\$ 426,969	\$ 476,497

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