

CHRISTIAN CONNECTIONS FOR INTERNATIONAL HEALTH

Financial Statements
With Independent Auditors' Report

December 31, 2019

CHRISTIAN CONNECTIONS FOR INTERNATIONAL HEALTH

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Christian Connections for International Health
Alexandria, Virginia

We have audited the accompanying financial statements of Christian Connections for International Health, which comprise the statement of financial position as of December 31, 2019, 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.

Auditors' 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.

Board of Directors
Christian Connections for International Health
Alexandria, Virginia

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Connections for International Health as of December 31, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

New York, New York
October 5, 2020

CHRISTIAN CONNECTIONS FOR INTERNATIONAL HEALTH

Statement of Financial Position

As of December 31, 2019

ASSETS:	
Cash and cash equivalents	\$ 259,485
Accounts receivable	8,655
Prepaid expenses and other assets	<u>14,939</u>
Total Assets	<u><u>\$ 283,079</u></u>
LIABILITIES AND NET ASSETS:	
Liabilities:	
Accounts payable	\$ 1,665
Accrued expenses	54,429
Deferred membership dues	<u>3,446</u>
Total Liabilities	<u>59,540</u>
Net Assets:	
Without donor restrictions	103,787
With donor restrictions	<u>119,752</u>
Total Net Assets	<u>223,539</u>
Total Liabilities and Net Assets	<u><u>\$ 283,079</u></u>

See notes to financial statements

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Statement of Activities

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Grant revenue	\$ -	\$ 407,723	\$ 407,723
Contributions	108,777	110,000	218,777
Conference revenue	115,791	-	115,791
Organization dues and registration fees	38,178	-	38,178
Other income	95	-	95
	<u>262,841</u>	<u>517,723</u>	<u>780,564</u>
Total Support and Revenue			
RECLASSIFICATIONS:			
Satisfaction of purpose restrictions	432,224	(432,224)	-
	<u>432,224</u>	<u>(432,224)</u>	<u>-</u>
EXPENSES:			
Salaries and employee benefits	450,549	-	450,549
Annual conference	99,572	-	99,572
Consulting and contracted services	77,224	-	77,224
Travel and client relations	62,484	-	62,484
Subgrantee	48,200	-	48,200
Office supplies and other	31,844	-	31,844
	<u>769,873</u>	<u>-</u>	<u>769,873</u>
Change in Net Assets	(74,808)	85,499	10,691
Net Assets, Beginning of Year	<u>178,595</u>	<u>34,253</u>	<u>212,848</u>
Net Assets, End of Year	<u>\$ 103,787</u>	<u>\$ 119,752</u>	<u>\$ 223,539</u>

See notes to financial statements

CHRISTIAN CONNECTIONS FOR INTERNATIONAL HEALTH

Statement of Cash Flows

Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 10,691
Changes in:	
Accounts receivable	283
Prepaid expenses and other assets	(12,956)
Accounts payable	(80,635)
Accrued expense	40,220
Deferred membership dues	<u>2,556</u>
Net Cash Used by Operating Activities	<u>(39,841)</u>
Change in Cash and Cash Equivalents	(39,841)
Cash and Cash Equivalents, Beginning of Year	<u>299,326</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 259,485</u></u>

See notes to financial statements

CHRISTIAN CONNECTIONS FOR INTERNATIONAL HEALTH

Notes to Financial Statements

December 31, 2019

1. NATURE OF ORGANIZATION:

Christian Connections for International Health (CCIH) is a Christian health organization, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code), and is not a private foundation under Section 509(a) of the Code.

CCIH began in 1987 as a forum for Christians concerned about global health to discuss areas of mutual interest. Today CCIH is a diverse network of organizations and individuals from across the globe. CCIH's mission is to mobilize and empower their network to promote global health and wholeness from a Christian perspective.

CCIH provides a forum for Christians to share ideas and best practices, pray together, join in fellowship, and form a collective voice to speak up for those without a voice. CCIH advocates for increased commitment and funding for global health services around the world. CCIH is currently the only organization in the world seeking to unite all Christian health ministries - international and local - to promote global health and wholeness.

CCIH serves Christians and others working in global health as it:

- Facilitates networking among Christian organizations and individuals;
- Builds the capacity of Christians working in global health;
- Network with secular and government international health programs;
- Shares information and experiences;
- Promotes inter-agency cooperation;
- Raises awareness and advocates on key international health issues;
- Provides a forum for discussion;
- Promotes Christian health work in developing countries; and
- Engages with students interested in Christian international health.

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Notes to Financial Statements

December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES:

CCIH prepares its financial statements on the accrual basis of accounting. CCIH uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The more significant accounting policies are described below.

RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. CCIH adopted the provisions of this new standard during the year ended December 31, 2019. The new standard clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. Adoption of this standard had no effect on the change in net assets or total net assets.

CASH, CASH EQUIVALENTS AND CREDIT RISK

Cash and cash equivalents consist of cash held in checking accounts. While CCIH's cash equivalents at times may exceed federally insured limits, CCIH has not experienced any losses on such accounts. CCIH believes it is not exposed to any significant credit risk on these accounts. As of December 31, 2019, all cash account balances were covered by FDIC insurance.

DEFERRED REVENUE

Deferred revenue consists of deferred membership dues for 2020 and grant revenue received but not yet earned. Deferred revenue is recognized when the liability expires.

NET ASSETS

Net assets and changes therein are reported as follows:

Without donor restrictions—are amounts currently available for ministry purposes under the direction of the board of directors.

Net assets with donor restrictions represent amounts contributed with donor stipulations for specific operating purposes or programs, with time restrictions or not currently available for use until commitments regarding their use have been fulfilled.

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Notes to Financial Statements

December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTIONS, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to CCIH. Membership revenue is recognized when received. CCIH reports gifts of cash and other assets as support with donor restriction if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as satisfaction of purposes restrictions.

CONCENTRATION OF SUPPORT RISK

During the year ended December 31, 2019, CCIH received 100% of grant revenue from two grantors and approximately 69% of contributions from two donors.

EXPENSES, ALLOCATION OF EXPENSES, ADVERTISING, AND JOINT COSTS

Expenses are reported when costs are incurred and reported on the functional basis in the statement of activities. Accordingly, expenses have been allocated among the various program services and supporting activities benefited. For the year ended December 31, 2019, expenses were allocated among the functional categories on the basis of specific identification and estimates of time spent and benefits derived. CCIH incurred approximately \$1,400 of advertising costs for the years ended December 31, 2019. CCIH incurred no joint costs for the years ended December 31, 2019.

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Notes to Financial Statements

December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

EXPENSES, ALLOCATION OF EXPENSES, ADVERTISING, AND JOINT COSTS, continued

The following table presents expenses by both their nature and function for the year ended December 31, 2019:

	Program Services			Supporting Activities			
	Conference	Advocacy, Communications, and Education	Total Program	Management and General	Fundraising	Total Supporting	Total
Salaries and employee benefits	\$ 55,266	\$ 279,372	\$ 334,638	\$ 98,340	\$ 17,571	\$ 115,911	\$ 450,549
Annual conference	99,572	-	99,572	-	-	-	99,572
Consulting and contracted services	-	77,224	77,224	-	-	-	77,224
Travel and client relations	-	62,484	62,484	-	-	-	62,484
Subgrantee	-	48,200	48,200	-	-	-	48,200
Office supplies and other	680	3,474	4,154	27,211	479	27,690	31,844
Total	\$ 155,518	\$ 470,754	\$ 626,272	\$ 125,551	\$ 18,050	\$ 143,601	\$ 769,873

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Notes to Financial Statements

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3. AVAILABILITY OF FINANCIAL ASSETS:

The following table reflects CCIH's financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	December 31, 2019
Cash	\$ 259,485
Accounts receivable	8,655
Financial assets, end of year	268,140
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restrictions by donor with time or purpose restrictions	(119,752)
Financial assets available to meet cash needs for general expenditures within one year	\$ 148,388

CCIH is substantially supported by contributions and grants, some of which are restricted. Because a donor's restriction requires resources to be used in a particular manner or in a future period, CCIH must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of its liquidity management, CCIH has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. MEMBERSHIP REVENUE

The following table provides information about changes in the deferred membership dues:

	December 31, 2019
Deferred membership dues, beginning of year	\$ 890
Revenue recognized that was included in deferred membership dues at the beginning of year	(755)
Increase in deferred revenue due to cash received during the period	3,311
Deferred membership dues, end of year	\$ 3,446

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5. NET ASSETS:

Net assets with donor restrictions consists of the following:

	<u>December 31, 2019</u>
Bill & Melinda Gates Foundation	\$ 91,944
Advocacy	27,802
Other	<u>6</u>
	<u>\$ 119,752</u>

6. EMPLOYEE BENEFITS:

RETIREMENT PLAN

CCIH, effective January 1, 2007, adopted a Simple IRA Plan for their employees. Full time employees are eligible immediately and contribute through payroll deductions. CCIH contributes 3% of the employee's compensation directly to the Plan. Participants are vested immediately in all of their accounts plus actual earnings thereon. For the year ended December 31, 2019, retirement plan expenses were approximately \$10,700.

HEALTH BENEFITS

CCIH provides health insurance for its employees. CCIH contributes monthly for insurance premiums for its employees. Total payments for CCIH's health insurance premiums amounted to approximately \$27,700 for the year ended December 31, 2019.

7. RELATED PARTY TRANSACTIONS

CCIH's board members contributed approximately \$5,200 during the year ended December 31, 2019.

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8. SUBSEQUENT EVENTS:

Subsequent to December 31, 2019, the COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closings and/or transitions to remote work for numerous businesses, including CCIH. While the disruptions are currently expected to be temporary, there is considerable uncertainty around the duration of these disruptions. Therefore, CCIH expects that this could have a negative effect on its operations, including the potential decrease in revenue and contributions. However, the extent to which the COVID-19 outbreak may financially impact CCIH's operations or financial results cannot be reasonably estimated at this time. Further, in an effort to continue its outreach and ministries, effective May 1, 2020, CCIH received a \$81,851 Paycheck Protection Program Loan through the Small Business Administration.

Subsequent events have been evaluated through October 5, 2020, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.