

**CHILD EVANGELISM FELLOWSHIP OF MISSISSIPPI, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING DECEMBER 31, 2020**

**(INDEPENDENT ACCOUNTANT'S REVIEW REPORT)**

**CHILD EVANGELISM FELLOWSHIP OF MISSISSIPPI, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING DECEMBER 31, 2020**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Child Evangelism Fellowship of Mississippi, Inc.  
Hattiesburg, MS 39401

We have reviewed the accompanying consolidated financial statements of Child Evangelism Fellowship of Mississippi, Inc. (a non-profit organization) which comprise that statement of financial position as of December 31, 2020, and the related consolidated statement of activities, consolidated functional expenses and consolidated cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole, and that, accordingly, the accountant does not express such an opinion.

### Managements' Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

The accountant's responsibility is to conduct the review engagement in accordance with SSARS promulgated by the Accounting and Review Services Committee of the AICPA. The accountant's review report should also explain that these standards require that the accountant perform the procedures to obtain limited assurance as a basis for reporting whether the accountant is aware of any material modifications that should be made to the financial statements for them to be in accordance with the applicable financial reporting framework. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Trinity Accounting Services, LLC*

September 5, 2021  
Springfield, VA

**CHILD EVANGELISM FELLOWSHIP OF MISSISSIPPI, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**For the Year Ending December 31, 2020**

	<b>2020</b>
<b>ASSETS:</b>	
CASH	\$ 83,853
OTHER ASSETS	\$ 24,724
<b>TOTAL ASSETS</b>	<b>\$ 108,577</b>
 <b>LIABILITIES:</b>	
ACCOUNTS PAYABLE	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>
 <b>NET ASSETS</b>	
NET ASSETS (UNRESTRICTED)	\$ 108,577
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 108,577</b>

See Accountants Notes to the Financial Statements

**CHILD EVANGELISM FELLOWSHIP OF MISSISSIPPI, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For the Year Ending December 31, 2020**

<b>REVENUE AND SUPPORT</b>	<b><u>2020</u></b>
Contributions	\$ 171,979
Program Services	32,898
Other Revenue	30,400
<b>TOTAL REVENUE AND SUPPORT</b>	<b><u>\$ 235,277</u></b>
<b>EXPENSES</b>	
Program Services	148,499
<b>TOTAL PROGRAM SERVICES</b>	<b><u>\$ 148,499</u></b>
Support Services	
General & Administrative	86,425
Fundraising	1,123
<b>TOTAL SUPPORT SERVICES</b>	<b><u>\$ 87,548</u></b>
 <b>TOTAL EXPENSES</b>	 <b><u>\$ 236,047</u></b>
 <b>INCREASE IN NET ASSETS</b>	 <b>(770)</b>
 <b>NET ASSETS , Beginning of the year</b>	 <b>109,347</b>
 <b>NET ASSETS, End of the year</b>	 <b><u>\$ 108,577</u></b>

See Accountant's Notes to the Financial Statements

**CHILD EVANGELISM FELLOWSHIP OF MISSISSIPPI, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ending December 31, 2020**

	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in Net Assets	\$ (770)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
(Increase)/Decrease in Accounts Payable	\$ -
Increase(Decrease) in Accounts Receivable	\$ -
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (770)</b>
Retirement of Fixed Assets	\$ 2,079
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,079</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	\$ 1,309
<b>CASH, Beginning on Year</b>	<b>\$ 82,544</b>
<b>CASH, End of Year</b>	<b>\$ 83,853</b>

See Accountant's Notes to the Financial Statements

**CHILD EVANGELISM FELLOWSHIP OF MISSISSIPPI, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ending December 31, 2020**

	<b>PROGRAM SERVICES</b>	<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>FUNDRAISING</b>	<b>2020 TOTAL</b>
Accounting	\$ 4,403	\$ -	\$ -	\$ 4,403
Conferences	8,816	-	-	8,816
Contract Services	15,704	7,304	-	23,008
Insurance	-	977	-	977
National Support	-	5,071	-	5,071
Office Expense	-	5,677	-	5,677
Occupancy	-	7,004	-	7,004
Professional Services	-	-	1,123	1,123
Salary & Wages	106,941	59,095	-	166,036
Supplies	7,292	-	-	7,292
Travel	4,048	-	-	4,048
Website	1,295	1,297	-	2,592
	<u>148,499</u>	<u>86,425</u>	<u>1,123</u>	<u>236,047</u>
Total	<u>\$ 148,499</u>	<u>\$ 86,425</u>	<u>\$ 1,123</u>	<u>\$ 236,047</u>

See Accountants Notes to the Financial Statements

# **CHILD EVANGELISM FELLOWSHIP OF MISSISSIPPI, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ending December 31, 2020**

### **Note 1 – ORGANIZATION & OPERATIONS**

#### **Organization**

Child Evangelism Fellowship of Mississippi, Inc. (CEF of MS) is a non-profit corporation incorporated under the laws of the State of Mississippi organized as a Bible-centered organization composed of born again believers whose purpose is to evangelize boys and girls with the Gospel of the Lord Jesus Christ and to establish them in the Word of God and in a local church for Christian living. To effectively reach the children in this state, a training and equipping ministry is vital to motivate and help staff and volunteers more effectively accomplish this three-fold purpose.

### **Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

It is the organization's policy to prepare its financial statements on the accrual basis of accounting.

#### **Basis of Presentation**

Based on the existence or absence of donor-imposed restrictions, resources are classified into two categories: without donor restrictions and with donor restrictions. CEF of MS does not have assets with donor restrictions. All revenues, gains, and losses and all expenses are reported as increases or decreases in net assets without donor restrictions.

#### **Use of Estimates**

The preparation of financial statement in conformity with U.S. generally accepted accounting principles requires management to make estimate and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.



## **Donated Services**

CEF of MS receives services donated by unpaid officers, board members and volunteers in carrying out its ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under the “Accounting for Contributions Received and Contributions Made” topic of the FASB ASC.

## **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand or in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less. Cash and cash equivalents do not include cash restricted by donors or other assets restricted for long-term purposes.

## **Revenue Recognition**

CEF of MS accounts for contributions received in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions are recorded when received as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for general support of CEF of MS unless specifically restricted by the donor or restricted by CEF of MS for a specific purpose. Contributions of non-cash assets are recorded at their fair values in the period received.

## **Investments**

CEF of MS follows SFAS No. 124, “Accounting for Certain Investments held by Not-for-Profit Organizations”. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investment in debt securities are reported at their fair values in the statement of financial position.

## **Intentions to Give**

Intentions to give which may be rescinded at any time were not recognized in the financial statements because they did not meet the criteria for revenue recognition under SFAS No. 116.

## **Income Tax Status**

CEF of MS is a State of Mississippi operates within the guidelines of section 501(c)(3) of the Internal Revenue Service code for nonprofit organizations and therefore is exempt from

Federal and State income taxes and operates exclusively for religious, charitable, and educational purposes. Accordingly, no provision for income taxes is required in the accompanying financial statements.

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

### **Rental Agreement**

CEF of MS entered into a rental agreement with Zion Chapel AME Church in Hattiesburg, MS. This is an informal rental agreement without stated terms. CEF of MS pays monthly rent of \$250 for use of a church-owned building. This lease agreement does not have a termination date. Rental expense was \$3,000 in 2020.

### **Note 3 – EMPLOYEE BENEFIT PLANS**

CEF of MS has a retirement plan for all full-time and part-time employees that have completed two (2) years of consecutive employment. CEF of MS may contribute 2% of the employee's gross annual wages to the retirement plan upon approval of the State Board.

### **Note 4 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date of the Accountant's Review Report, which is the date the financial statements were available to be issued.