

**CHRISTIAN SERVICE BRIGADE**

Financial Statements  
For the Years Ended  
June 30, 2021 and 2020  
with  
Accountants' Compilation Report

# CHRISTIAN SERVICE BRIGADE

## TABLE OF CONTENTS

---

	<b>Page</b>
ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 – 10



Charles W. Chiampon, CPA, JD  
Robert J. Travis, CPA  
Kelly G. Besaw, CPA, CVA  
Eugene G. Kershner, CPA  
D. Scott Sutherland, CPA  
Stephen R. Brady, CPA, JD  
Jon K. Pellish, CPA  
Eric D. Colca, CPA, CVA  
Michael Schaffstall, CPA  
Garret R. Alexin, CPA, MBA  
Karen M. Antonelli, CPA, CCIFP  
Meagan K. Fitzgerald, CPA  
Brian Maze, CPA  
Andrew L. Neyman, CPA, MBA  
Gina M. McDonough, CPA  
Jennifer N. Aceti, CPA

To the Board of Directors  
Christian Service Brigade  
Hamburg, New York

Management is responsible for the accompanying financial statements of Christian Service Brigade (a non-profit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Chiampon Travis Besaw & Kershner LLP*

October 8, 2021

**CHRISTIAN SERVICE BRIGADE**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS:</b>		
Cash	\$ 77,788	\$ 92,037
Investments, at fair value	189,554	79,995
Accounts receivable	-	6,911
Bequest receivable	-	1,766
Inventory	59,462	66,009
Prepaid expenses	938	-
Total current assets	<u>327,742</u>	<u>246,718</u>
PROPERTY AND EQUIPMENT, net	<u>4,573</u>	<u>6,687</u>
	<u>\$ 332,315</u>	<u>\$ 253,405</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of Paycheck Protection Program loans	\$ 24,871	\$ 33,781
Accounts payable	13,162	8,622
Accrued liabilities	48,522	49,404
Current portion of annuities payable	2,101	2,101
Total current liabilities	<u>88,656</u>	<u>93,908</u>
LONG-TERM PORTION OF ANNUITIES PAYABLE	37,374	41,579
LONG-TERM PORTION OF PAYCHECK PROTECTION PROGRAM LOANS	81,954	69,819
NET ASSETS WITHOUT DONOR RESTRICTION	<u>124,331</u>	<u>48,099</u>
	<u>\$ 332,315</u>	<u>\$ 253,405</u>

See accountants' compilation report and notes to financial statements.

**CHRISTIAN SERVICE BRIGADE****STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CHANGE IN OPERATING NET ASSETS WITHOUT DONOR RESTRICTION:		
PUBLIC SUPPORT AND REVENUE:		
Contributions	\$ 669,828	\$ 644,584
In-kind contributions	12,000	12,000
Fee income	39,259	62,000
Sales	34,309	91,323
Total public support and revenue	<u>755,396</u>	<u>809,907</u>
FUNCTIONAL EXPENSES:		
Program services	599,255	656,984
Supporting services	97,066	65,088
Fundraising	89,660	80,400
Total functional expenses	<u>785,981</u>	<u>802,472</u>
CHANGE IN OPERATING NET ASSETS WITHOUT DONOR RESTRICTION	(30,585)	7,435
NON-OPERATING ACTIVITIES:		
Forgiveness of debt	103,600	-
Interest and dividend income	583	61
Unrealized appreciation (depreciation) of investments	530	(65)
Change in value of annuities payable	2,104	(6,337)
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	76,232	1,094
NET ASSETS WITHOUT DONOR RESTRICTION, beginning of year	<u>48,099</u>	<u>47,005</u>
NET ASSETS WITHOUT DONOR RESTRICTION, end of year	<u>\$ 124,331</u>	<u>\$ 48,099</u>

See accountants' compilation report and notes to financial statements.

**CHRISTIAN SERVICE BRIGADE**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021				2020			
	Program Services	Supporting Services	Fundraising	Total	Program Services	Supporting Services	Fundraising	Total
Salaries and related expenses	\$ 477,253	\$ 82,719	\$ 63,968	\$ 623,940	\$ 504,479	\$ 55,796	\$ 61,338	\$ 621,613
Cost of sales - materials	31,060	-	-	31,060	42,242	-	-	42,242
Professional services	16,295	2,446	3,967	22,708	16,597	1,845	4,275	22,717
Travel	16,230	2,016	1,401	19,647	20,936	1,479	1,608	24,023
Building rent and improvements	8,234	1,115	2,651	12,000	8,234	1,115	2,651	12,000
Conferences	7,699	1,380	2,252	11,331	957	105	74	1,136
Bank fees	7,393	738	1,754	9,885	9,321	713	1,696	11,730
Equipment purchase/rental	5,160	685	1,628	7,473	6,656	814	1,767	9,237
Telephone	6,065	638	738	7,441	6,193	649	818	7,660
Promotions	3,565	2,221	823	6,609	5,274	412	946	6,632
Fundraising expenses	-	-	5,885	5,885	-	-	833	833
Postage	3,429	1,200	817	5,446	4,211	410	726	5,347
4 Building insurance	3,251	440	1,047	4,738	3,127	423	1,007	4,557
Payroll processing and state filing fees	2,740	371	882	3,993	2,291	310	737	3,338
Building maintenance and utilities	1,940	263	625	2,828	1,746	236	562	2,544
Office supplies	2,041	435	349	2,825	4,457	239	393	5,089
Depreciation	1,827	248	588	2,663	1,983	268	638	2,889
ISI regional conference	2,149	-	-	2,149	11,384	-	-	11,384
Contractual labor	1,500	-	-	1,500	3,500	-	-	3,500
Dues and subscriptions	843	114	271	1,228	1,357	116	276	1,749
Printing and publications	520	31	-	551	1,738	135	-	1,873
Interest expense	61	6	14	81	301	23	55	379
	<u>\$ 599,255</u>	<u>\$ 97,066</u>	<u>\$ 89,660</u>	<u>\$ 785,981</u>	<u>\$ 656,984</u>	<u>\$ 65,088</u>	<u>\$ 80,400</u>	<u>\$ 802,472</u>

See accountants' compilation report and notes to financial statements.

**CHRISTIAN SERVICE BRIGADE**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

---

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets without donor restriction	\$ 76,232	\$ 1,094
Adjustments to reconcile change in net assets without donor restriction to net cash provided by (used in) operating activities:		
Unrealized (gain) loss on investments	(530)	65
Depreciation	2,663	2,889
Change in value of annuities payable	(2,104)	6,337
Forgiveness of debt	(103,600)	-
Changes in operating assets and liabilities:		
Accounts receivable	6,911	(6,388)
Bequest receivable	1,766	53,234
Inventory	6,547	(4,967)
Prepaid expenses	(938)	941
Accounts payable	4,540	(33,405)
Accrued liabilities	(882)	23,737
Annuities payable	(2,101)	(2,101)
Net cash provided by (used in) operating activities	<u>(11,496)</u>	<u>41,436</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(109,029)	(80,060)
Purchases of property and equipment	(549)	(1,990)
Net cash used in investing activities	<u>(109,578)</u>	<u>(82,050)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program loans	<u>106,825</u>	<u>103,600</u>
<b>NET CHANGE IN CASH</b>	(14,249)	62,986
<b>CASH, BEGINNING OF YEAR</b>	<u>92,037</u>	<u>29,051</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 77,788</u></u>	<u><u>\$ 92,037</u></u>

See accountants' compilation report and notes to financial statements.

## CHRISTIAN SERVICE BRIGADE

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

---

(See accountants' compilation report)

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Operations** – Christian Service Brigade (the “Organization”), is a non-profit missionary organization dependent upon the financial support of churches and individuals to maintain its work. The Organization’s work is to strengthen churches by equipping men who are committed to God’s Word to win and train boys as disciples of Jesus Christ.

**Basis of Accounting** – The financial statements of the Organization have been prepared on the accrual basis of accounting and according to current accounting standards, which require all not-for-profit organizations provide a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows. A separate presentation of expenses by functional and natural classification is also required. Classification of net assets and revenues, expenses, gains, and losses is based on the existence or absence of donor-imposed restrictions.

The standards also require that the amounts for each of the two classes of net assets – net assets with donor restriction and net assets without donor restriction be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities and changes in net assets. Net assets without donor restrictions represents resources available for the general support of the Organization’s activities and may be designated by the Organization’s Board of Directors for specific purposes. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Organization. As restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. As of June 30, 2021 and 2020, the Organization only has net assets without donor restriction.

**Cash** – The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk with regard to its cash.

**Investments** – Generally accepted accounting principles require the Organization to report investments in marketable securities and mutual funds with readily determinable fair values, at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains are reported as increases in net assets in the reporting period in which the income and gains are recognized.

Generally accepted accounting principles establish a hierarchy for the determination of fair value, as well as disclosure requirements relative to those assets and liabilities. The hierarchy identifies three levels of input. Level 1 inputs are generally quoted market prices for identical assets or liabilities, which are actively traded on an exchange. Level 2 inputs generally consist of market prices for identical assets which are not actively traded or market prices of similar assets or liabilities which are actively traded on an exchange. Level 3 inputs are referred to as unobservable inputs and consist primarily of information derived by management where Level 1 and Level 2 inputs are not available. All investments held by the Organization are considered Level 1.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***Bequest and Accounts Receivable*** – Bequests and accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of the obligations to be met. It is the Organization’s policy to charge off uncollectible receivables when management determines that the receivable will not be collected. There was no allowance for doubtful accounts as of June 30, 2021 and 2020.

***Inventory*** – Inventory consists of books and materials, sold through the programs, and is stated at the lower of cost or net realizable value, with cost determined using the first-in, first-out method. Shipping and handling costs of \$4,013 and \$6,221 for the years ended June 30, 2021 and 2020, respectively, are included in cost of sales presented in the accompanying statements of activities and changes in net assets as a component of program services.

***Property and Equipment*** – Property and equipment is stated at either cost or fair market value at the date of donation. Depreciation is provided using the straight-line method over estimated useful lives of the respective assets. Maintenance and repairs are charged to operations as incurred; significant betterments are capitalized.

***Contributions*** – Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions received are recorded as with or without donor restriction, depending on the existence and nature of any donor restrictions.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished in the reporting period in which the contribution or grant is recognized. All other donor-restricted contributions and support are reported as increases in assets with donor restriction, depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities and changes in net assets as net assets released from restrictions.

***Functional Expenses*** – The Organization allocates all expenses based on direct costs to specified departments and management’s reasonable percentage estimate of job function. The costs of providing various program and supporting services have been presented on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Life Annuity Contracts*** – The Organization has established two gift annuity plans, whereby contribution revenues are recognized on the dates of donation and are added to the general assets of the Organization. A liability is then established at the present value of the estimated future payments to be made to the beneficiaries. The liabilities, reflected as annuities payable on the statements of financial position, are adjusted throughout the terms of the agreements for changes in the estimate of present value of the liabilities using a risk free discount rate. The discount rates utilized were 2.06% and 1.41% at June 30, 2021 and 2020, respectively.

***Donated Services*** – Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, fundraising efforts and committee assignments. No amounts have been reflected in the financial statements for these services, since no objective basis is available to measure their value.

***Tax Status*** – The Organization is a 501(c)(3) organization exempt from Federal and New York State income taxes under Section 501(a) of the Internal Revenue Code.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

*Subsequent Events* – Management has evaluated the effects of all subsequent events through October 8, 2021, the date the financial statements were available to be issued, to determine if events or transactions occurring through that date require potential adjustment or disclosure in the financial statements.

## 2. LIQUIDITY

The Organization maintains liquid financial assets sufficient to cover one year of general expenditures. The following table reflects the Organization's financial assets as of June 30, 2021 and 2020 that are available to meet general expenditures within one year of the statement of financial position date.

	2021	2020
Cash	\$ 77,788	\$ 92,037
Investments, at fair value	189,554	79,995
Accounts receivable	-	6,911
Bequest receivable	-	1,766
	<u>\$ 267,342</u>	<u>\$ 180,709</u>

As more fully described in Note 5 the Organization has a committed line of credit with a bank which provides for up to \$50,000 of borrowings, payable on demand. There was \$50,000 available on the line of credit as of October 8, 2021, the date the financial statements were available to be issued.

## 3. INVESTMENTS

The Organization's investments, principally mutual funds, are subject to measurement at fair value on a recurring basis. Fair value as determined by quoted prices in active markets for identical assets (Level 1) at June 30, 2021 and 2020, were \$189,554 and \$79,995, respectively.

Cumulative unrealized appreciation (depreciation) on investments based upon the market value at June 30, 2021 and 2020, was \$530 and (\$65), respectively.

#### 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2021	2020
Furniture and office equipment	\$ 31,780	\$ 31,231
Computer software	<u>6,287</u>	<u>6,287</u>
	38,067	37,518
Less accumulated depreciation	<u>33,494</u>	<u>30,831</u>
	<u>\$ 4,573</u>	<u>\$ 6,687</u>

Depreciation attributable to property and equipment amounted to \$2,663 and \$2,889 for the years ended June 30, 2021 and 2020, respectively.

#### 5. LINE OF CREDIT

The Organization has a committed line of credit with a bank which provides for maximum borrowings up to \$50,000. Outstanding borrowings bear interest at the bank's prime rate plus 3.36%. There were no outstanding borrowings under the line of credit as of June 30, 2021 and 2020.

#### 6. LONG-TERM DEBT

Property and equipment consisted of the following at June 30:

	2021	2020
Note payable to a bank in monthly installments of \$2,034 commencing September 2021, including interest at 1%, through February 2026. The note payable is unsecured and is pursuant to the Small Business Administration's Paycheck Protection Program ("PPP").	\$ 106,825	\$ -
Forgiveness of debt	<u>-</u>	<u>103,600</u>
	106,825	103,600
Less current portion	<u>24,871</u>	<u>33,781</u>
Long-term portion	<u>\$ 81,954</u>	<u>\$ 41,579</u>

In April 2020 and February 2021, the Organization received loans in the amount of \$103,600 and \$106,825, respectively, pursuant to the PPP under division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), enacted on March 27, 2020. The proceeds from the loans have been used for eligible payroll costs, retirement and health benefits, utilities, and rent during the covered periods. The loan received in April 2020 was forgiven in its entirety and has been recorded as a non-operating activity in the statements of activities and changes in net assets for the year ended June 30, 2021. The loan received in February 2021 is expected to be forgiven during the year ended June 30, 2022.

Principal maturities of long-term debt for the fiscal years subsequent to June 30, 2021 are as follows: 2022 - \$24,871; 2023 - \$81,954.

**7. OPERATING LEASE**

In April 2013, the Organization entered into a rent-free lease on a building owned by a local church. The Organization is responsible for the maintenance and utilities of the building. In-kind contributions and building rent amounted to \$12,000 for each of the years ended June 30, 2021 and 2020.

**8. RETIREMENT BENEFITS**

The Organization has a tax deferred annuity plan (the “Plan”) covering certain full-time employees with at least three years of employment. The Organization contributes a matching amount up to 1% of salary. Employer contributions were approximately \$3,600 and \$8,000 for the years ended June 30, 2021 and 2020, respectively.

\* \* \* \* \*