CHRIST FOR ALL NATIONS
Financial Statements
December 31, 2017 and 2016
With Independent Auditors' Report

Christ For All Nations
December 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Christ For All Nations
Orlando, Florida

Report on Financial Statements

We have audited the accompanying financial statements of Christ For All Nations (the "Ministry") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 auditors consider internal control relevant to the Ministry'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 Ministry'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 Christ For All Nations as of December 31, 2017 and 2016, 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.

WithumSmith+Brown, PC

June 18, 2018

Christ For All Nations
Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 1,429,940	$ 2,075,765
Receivables	80,148	47,809
Inventories, net of allowance for obsolete inventory	482,258	521,449
Prepaid expenses	143,506	123,107
Lease deposits	8,584	8,584
Property and equipment, net	4,812,932	3,991,836
Total assets	$ 6,957,368	$ 6,768,550
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 512,349	$ 450,148
Total liabilities	512,349	450,148
Net assets		
Unrestricted	6,445,019	5,318,402
Temporarily restricted	-	1,000,000
Total net assets	6,445,019	6,318,402
Total liabilities and net assets	$ 6,957,368	$ 6,768,550

The Notes to Financial Statements are an integral part of these statements.

Christ For All Nations
Statements of Activities
Years Ended December 31, 2017 and 2016

	2017	2016
Changes in unrestricted net assets		
Support and revenue		
Contributions	$ 8,949,565	$ 8,480,180
Other income	839,907	26,105
Net assets released from restrictions	9,157,091	3,834,029
Total unrestricted support and revenue	18,946,563	12,340,314
Expenses		
Program services		
Crusades and outreach	10,945,774	7,316,037
Print media	1,233,906	1,426,674
Television ministry	1,249,372	1,115,399
Web ministry	666,327	494,280
Total program services	14,095,379	10,352,390
Supporting services		
Management and general	2,770,041	1,264,598
Fundraising	954,526	904,827
Total supporting services	3,724,567	2,169,425
Total expenses	17,819,946	12,521,815
Increase (decrease) in unrestricted net assets	1,126,617	(181,501)
Changes in temporarily restricted net assets		
Temporarily restricted contributions	8,157,091	3,535,000
Net assets released from restrictions	(9,157,091)	(3,834,029)
Decrease in temporarily restricted net assets	(1,000,000)	(299,029)
Increase (decrease) in net assets	126,617	(480,530)
Net assets, beginning of year	6,318,402	6,798,932
Net assets, end of year	$ 6,445,019	$ 6,318,402

The Notes to Financial Statements are an integral part of these statements.

Christ For All Nations
Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Cash received from contributors and customers	$ 17,673,081	$ 12,120,346
Interest received	1,143	455
Cash paid to suppliers and employees	(16,735,953)	(11,702,799)
Net cash provided by operating activities	938,271	418,002
Cash flows from investing activities		
Cash paid for property and equipment	(1,584,096)	(122,576)
Net cash used in investing activities	(1,584,096)	(122,576)
Net increase (decrease) in cash and cash equivalents	(645,825)	295,426
Cash and cash equivalents		
Beginning of year	2,075,765	1,780,339
End of year	$ 1,429,940	$ 2,075,765
Reconciliation of increase (decrease) in net assets to net cash provided by operating activities		
Increase (decrease) in net assets	$ 126,617	$ (480,530)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	763,000	694,564
Reserve for inventory obsolescence	40,000	40,000
Changes in		
Receivables	(32,339)	79,516
Inventories	(809)	(145,252)
Prepaid expenses	(20,399)	3,728
Lease deposits	-	(1,484)
Accounts payable and accrued expenses	62,201	227,460
Net cash provided by operating activities	$ 938,271	$ 418,002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Christ For All Nations (the "Ministry") conducts evangelistic crusades throughout the world with an emphasis on the continent of Africa and recently North America. The ministries of Reinhard Bonnke and Daniel Kolenda are central to the operations of the Ministry. Books, audio tapes, conferences, television, and a film seeding project are used by the Ministry to supplement the crusades. The operations of the Ministry are supported primarily by contributions.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Ministry and changes therein are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Ministry and/or the passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Ministry. There were no permanently restricted net assets at December 31, 2017 and 2016.

Allocation of Supporting Services Expenses

The Ministry's policy is to allocate that part of the supporting services expenses associated with programs to the individual programs based on each program's direct program cost to total program costs.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are reported as an increase in unrestricted net assets unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

Unconditional promises to give due within one year are recorded at their net realizable value. Unconditional promises to give due after one year are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2017 and 2016, there are no promises to give.

In-Kind Contributions

In-kind contributions of services used in programs are recorded as other income and expense at the estimated fair value of the service.

Cash and Cash Equivalents
Cash and cash equivalents include cash, time deposits, money market funds, and all highly liquid debt instruments with a maturity of three months or less when purchased. The Ministry, from time to time, has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance.

Receivables
Receivables consist primarily of amounts due from affiliates for services provided or products purchased on their behalf and travel advances provided to personnel in advance of ministry events. Receivables are stated at net realizable value. In determining whether or not to record an allowance for doubtful accounts, management makes a judgmental estimate based on the facts and circumstances related to each account. No allowances for doubtful accounts are recognized at December 31, 2017 and 2016.

Inventories
Inventories consist of books, audio tapes, video tapes, CDs, and DVDs featuring the ministries of Reinhard Bonnke and Daniel Kolenda, and are stated at the lower of cost or net realizable value. Cost is determined using the average cost method. The inventory reserve is $280,000 and $240,000 at December 31, 2017 and 2016, respectively.

Property and Equipment
Property and equipment is recorded at cost. Depreciation is calculated by the straight-line and accelerated methods over the following estimated useful lives:

Office furniture and equipment	3 – 7 years
Automobiles	5 years
Building	7 – 39 years
Leasehold improvements	5 years

Contributed assets are recorded at their estimated fair value at the date of contribution. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Costs of new facilities and improvements are capitalized while repairs and maintenance are expensed as incurred.

Income Taxes
The Ministry is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Ministry in its tax returns. The Ministry's status as an exempt organization is defined as an income tax position under these requirements. While management believes it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by the Ministry in its tax returns may be uncertain. There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Ministry has any material uncertain tax positions at December 31, 2017.

In the event interest and penalties were due relating to an unsustainable tax position, they would be treated as a component of income tax expense.

2. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2017 and 2016, consists of the following:

	2017	2016
Office furniture and equipment	$ 5,163,890	$ 3,651,119
Automobiles	361,502	403,441
Land	569,625	569,625
Building	2,875,292	2,875,292
Leasehold improvements	35,923	19,737
	9,006,232	7,519,214
Less accumulated depreciation	4,193,300	3,527,378
	$ 4,812,932	$ 3,991,836

Depreciation expense for the years ended December 31, 2017 and 2016, was $763,000 and $694,564, respectively.

3. TEMPORARILY RESTRICTED NET ASSETS

There are no temporarily restricted net assets at December 31, 2017. Temporarily restricted net assets at December 31 2016, consists of funds primarily restricted for use in conjunction with crusades expenses.

4. RETIREMENT PLAN AND DEFERRED COMPENSATION

The Ministry maintains a SIMPLE retirement plan for substantially all employees. Employees defer a portion of their compensation into the plan, and the Ministry makes a matching contribution up to 3% of gross wages. The matching contribution amounted to $107,648 and $86,253, respectively, for the years ended December 31, 2017 and 2016.

The Ministry has a deferred compensation plan in place that would compensate, as a surviving spouse, the wife of a certain employee of the Ministry. According to the plan, if the employee predeceases his wife, the Ministry will pay her $180,000 per year as long as she is living.

5. LEASES

The Ministry conducted its crusade operations from leased space and rented a warehouse for storage of its inventory. Both leases are classified as operating leases. In addition, the Ministry had short-term leases on facilities for some of their events. Rent expense for the years ended December 31, 2017 and 2016, consists of the following:

	2017	2016
Space leased for storage of inventory, ministry operations, and equipment rental	$ 51,798	$ 53,906
Event space leased for ministry operation	-	220,080
	$ 51,798	$ 273,986

Future minimum payments under these non-cancelable operating leases at December 31, 2017, are as follows:

Fiscal Year Ending	
2018	$ 46,702
2019	48,100
2020	49,545
2021	38,532
2022	2,489
	$ 185,368

6. RELATED PARTY TRANSACTIONS

Transactions With Harvester Services, Inc.
Harvester Services, Inc. ("Harvester") is a for-profit corporation owned by Reinhard Bonnke and his wife that holds the intellectual property for the books he has written and other media produced that includes his sermons.

Transactions with Harvester for the years ended December 31, 2017 and 2016, consist of payments for product sales in the amount of $31,260 and $91,655, respectively.

Transactions With Diamond Point Event, LLC
Diamond Point Event, LLC ("DPE") is a for-profit corporation owned by a relative of a member of management. DPE provides donor support services to the Ministry. Transactions with DPE amounted to $11,006 and zero for the years ended December 31, 2017 and 2016, respectively.

Transactions With God TV
During 2017, the Ministry entered into an arrangement with God TV whereby the Ministry would provide office space in exchange for airtime to promote their mission. There is no formal agreement. The in-kind value for this arrangement was $240,000 for the year ended December 31, 2017. There is a common board member at God TV.

Transactions With Foreign Christ For All Nations Offices
The Ministry is affiliated with not-for-profit organizations in other nations that also use the name Christ For All Nations. These affiliates have some common board members with the Ministry and leverage the Ministry's donor management initiatives for their own offices. Accordingly, these affiliates reimburse the Ministry for expenses paid on their behalf plus a management fee for certain expenses incurred. During the years ended December 31, 2017 and 2016, the remittances from these offices for such reimbursements totaled approximately $799,148 and $391,994, respectively. Receivables at December 31, 2017 and 2016, include amounts from these affiliates of $68,739 and $10,061, respectively. These amounts are net of credit balances of $13,663 and $11,989 at December 31, 2017 and 2016, respectively. In addition, the following other payments were made to these affiliates:

	2017	**2016**
Payments for office administration fees and crusade production	$ 3,409,600	$ 1,112,000

7. CONCENTRATIONS OF SUPPORT

During the year ended December 31, 2017, one donor provided $6,205,000 of total support. For the year ended December 31, 2016, four donors provided $4,745,000 of total support.

8. SUBSEQUENT EVENT

Management has evaluated subsequent events through June 18, 2018, the date which the financial statements were available to be issued. With the exception of the building purchase described below, the Ministry has determined that no subsequent events have occurred which would require adjustment to or disclosure in the financial statements.

On February 20, 2018, the Ministry entered into an agreement to purchase property for use in operations at a total cost of approximately $3,000,000. The agreement allows a six-month due diligence period during which the Ministry can withdraw from the contract without penalty. The due diligence period had not expired as of the date the financial statements were available to be issued.