

**LEVANT MINISTRIES, INC.**  
**(A NON-PROFIT ORGANIZATION)**

ENGAGEMENT LETTER, FINANCIAL STATEMENTS AND  
ACCOUNTANT'S COMPILATION REPORT

For the year end of December 31, 2018



AITA Tax & Accounting Services, LLC  
801 International Parkway, Suite 500  
Sanford FL 32746  
www.aitatax.com

## **ACCOUNTANT'S COMPILATION REPORT**

Board of Directors  
Levant Ministries, Inc  
Washington D.C.

I have compiled the accompanying statements of financial position of **Levant Ministries Inc.** (a non-profit corporation) as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the accounting principles generally accepted in the United States of America.

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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

I am not independent with respect to Levant Ministries Inc.

AITA Tax & Accounting Services, LLC.

*Shurouq Abuaita*

Shurouq Abuaita, CPA

Sanford, Florida  
June 20, 2019

LEVANT MINISTRIES, INC.  
Statement of Financial Position  
December 31, 2018

**Assets**

**Current Assets**

Cash and Cash Equivalents	\$	169,095
Contribution Receivables		7,775
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Total Current Assets		176,870

**Noncurrent Assets**

Property and Equipment - net		16,657
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Total Noncurrent Assets		16,657

**Total Assets**

\$ 193,527.00

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**Liabilities and Net Assets**

**Current Liabilities**

Accounts Payable		3,622
Other Current Liabilities		6,528
Unearned Revenue		-
Payroll Liabilities		7,099
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Total Current Liabilities		17,249

**Long-Term Liabilities**

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**Total Liabilities**

17,249

**Net Assets**

Without Donors Restrictions - Undesignated		78,602
With Donors Restrictions		97,676
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**Total Net Assets**

176,278

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**Total Liabilities and Net Assets**

\$ 193,527.27

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LEVANT MINISTRIES, INC.  
Statement of Activities  
For the Year Ended December 31, 2018

	Without Donors Restrictions	With Donors Restrictions	TOTAL
<b>Support</b>			
Contributions, Gifts, and Grants	\$ 191,767	\$ 296,364	\$ 488,131
<b>Net Assets Released From Restrictions</b>	220,223	(220,222.52)	-
<b>Total Support</b>	411,989	76,141	488,131
<b>Program Revenue</b>			
Missions and Field Operations NEXTGEN Send	16,072	-	16,072
NEXTGEN Leaders Initiative	16,126	-	16,126
<b>Total Program Revenue</b>	32,198	-	32,198
<b>Total Support &amp; Program Revenue</b>	444,187	76,141	520,328
<b>Expenditures</b>			
<b>Supporting Services Expense</b>			
Management & General	59,654	-	59,654
<b>Program Service Expense</b>			
Levant Media Productions	198,688	-	198,688
Missions and Field Operations NEXTGEN Send	101,378	-	101,378
NEXTGEN Leaders Initiative	97,271	-	97,271
<b>Total Expenditures</b>	456,990	-	456,990
<b>Change in Net Assets (Funds Balances)</b>	(12,803)	76,141	63,338
<b>Net Assets, Beginning of Year</b>	91,405	21,535	112,940
<b>Net Assets, End of Year</b>	\$ 78,602	\$ 97,676	\$ 176,278

See Accompanying Notes and Independent Accountant's Compilation Report

LEVANT MINISTRIES, INC.  
Statement of Functional Expenses  
For the Year Ended December 31, 2018

	Program Services			Supporting Services	Total
	Levant Media Productions	Missions & Field Operations NEXTGEN Send	NEXTGEN Leaders Initiative	Management & General	
Audio & Visual	\$ 10,515		\$ 3,640	\$ -	\$ 14,155
Auto Expense				785	\$ 785
Bank & Credit Card Fees			2,150	3,812	\$ 5,962
Conference Accomodations			9,456		\$ 9,456
Conference Resources			3,708		\$ 3,708
Conferences/ Venues	-	-	7,879		\$ 7,879
Depreciation Expense	2,579		3,099	-	\$ 5,678
Filming Permits	1,697	-	-	-	\$ 1,697
Equipment Rental	7,359	1,250	863		\$ 9,472
Gifts & Appreciation	569			200	\$ 769
Graphic Design Services				2,760	\$ 2,760
Information Technology	2,672		100	3,492	\$ 6,264
Insurance			126		\$ 126
Janatorial Services			352		\$ 352
Jordan Conference			17,061		\$ 17,061
Legal & Professional Fees				4,600	\$ 4,600
License & Subscriptions				738	\$ 738
Marketing Expenses		220	5,684	4,167	\$ 10,071
Meals & Entertainment	89	1,121	5,964	1,535	\$ 8,708
Media Production - Live Media	50,800				\$ 50,800
Media Translation	30,911				\$ 30,911
Ministry Partners Support		12,499	8,350		\$ 20,849
Office Expenses	7,879		1,500	4,298	\$ 13,677
Other Miscellaneous Fees			41	553	\$ 594
Payroll	36,250	12,250	12,250	12,250	\$ 73,000
Payroll Tax Expense	1,836			3,749	\$ 5,585
Postage and Shipping				906	\$ 906
Printing Expense	-	-	1,701	-	\$ 1,701
Program Management	7,463	7,463	7,463	7,463	\$ 29,850
Rent	-	-	-	1,705	\$ 1,705
Repair & Maintenance	-	-		54	\$ 54
Supplies & Materials	3,061				\$ 3,061
Telephone				2,670	\$ 2,670
Training & Development		8,952		1,149	\$ 10,101
Travel & Accomodations	19,471	57,623	5,886	2,769	\$ 85,749
Video Production	15,538			-	\$ 15,538
<b>Total Expenses By Function</b>	<b>198,688</b>	<b>101,378</b>	<b>97,271</b>	<b>59,654</b>	<b>456,990</b>

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LEVANT MINISTRIES, INC.  
Statement of Cash Flows  
For the Year Ended December 31, 2018

	2018
<b>Cash Flows From Operating Activities</b>	
Increase (Decrease) in Net Assets	\$ 63,338.13
Adjustments to reconcile Net Assets to Net Cash provided by operations:	
Depreciation	5,677
Accounts Payable	(6,792)
Other Liabilities	304
Payroll Liabilities	5,379
Release of Restricted Funds	(50,000)
Total Adjustments to reconcile Net Assets to Net Cash provided by operations:	(45,432)
<b>Net Cash Provided (Used) by Operating Activities</b>	17,907
 <b>Cash Flows From Investing Activities</b>	
 <b>Net Cash Provided (Used) by Investing Activities</b>	(19,933)
 <b>Cash Flows From Financing Activities</b>	
Notes Payable	-
<b>Net Cash Provided (Used) by Financing Activities</b>	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(2,026)
<b>Cash and Cash Equivalents, Beginning of Year</b>	178,896
<b>Cash and Cash Equivalents, End of Year</b>	\$ 176,870
 <i>Supplemental Disclosures:</i>	
Cash paid during the year for interest	\$ -
Cash paid during the year for income taxes	\$ -

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LEVANT MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**NOTE 1 – NATURE OF ACTIVITIES**

Nature of Operations - Levant Ministries, Inc. (“the Organization”) is a not-for-profit organization formed in the District of Columbia to mobilize and equip the next generation of Christians so that they may fulfill The Great Commission and support the church in the Middle East. The Organization is committed to discipling, training, and investing in the spiritual gifts of the next generation to advance the Kingdom of God.

Description of Programs – Levant Ministries, Inc. has adopted three main programs to further its mission as follows:

- 1) **NEXTGEN Leaders Initiative:** This program supports the overall mission of this Organization through specific undertakings including:
  - a. **NEXTGEN Conference** - this conference provides a platform for the next generation to connect and make special partners and friends. The conference offers a unique approach to learning to inspire and motivate attendees through fun and interactive sessions.
  - b. **NEXTGEN Resources**– this is a cutting-edge centralized resource for leaders, pastors, church planters, staff, volunteers, global Christian workers, and emerging leaders. It provides pioneering training courses in leadership facilitated by renowned leaders.
  
- 2) **Levant Media Production:** This program creates dynamic and engaging visual media to share the Gospel across multiple media platforms including:
  - a. Satellite TV broadcast programs
  - b. Training and discipleship media
  - c. Animated short videos
  - d. Music and audio projects
  - e. Video-based small group curriculum
  
- 3) **Missions & Field Operations (NEXTGEN Send):** This program is involved in several creative developments including:
  - a. Refugee and War Victims Ministry
  - b. Children’s Ministry
  - c. Creative Arts Ministry
  - d. Outreach Programs
  - e. Church Planting



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LEVANT MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting – The financial statements of Levant Ministries, Inc. have been prepared on the accrual basis of accounting, and, accordingly, reflect all significant receivables, payables, and other liabilities. The significant accounting policies are described below to enhance the usefulness of the financial statements to the readers.

Basis of Presentation – Levant Ministries, Inc. reports information regarding financial position and activities according to the new Accounting Standards Update (ASU)2016-14, which requires the presentation of two classes of net assets that are classified based on the existence or absence of donor-imposed restrictions as follows:

- a) Net assets without donor restrictions: net assets represent revenues and expenses related to the operation and management of the organization 's primary programs and supporting services which are not subject to donor-imposed stipulations.
- b) Net assets with donor restrictions: These are net assets that represent resources available for use, but expendable only for the purposes specified by the donor.

Board-designated Net Assets – There are no board designated net assets for Levant Ministries, Inc. as of December 31, 2018.

Contributions – Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions with donor-imposed conditions are recorded as liabilities (not support) in the year made. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes that will be met in the same reporting period are reported as assets with restrictions until released from restrictions.

Property and Equipment – Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. The organization follows the practice of capitalizing at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed to match the current tax depreciation system in the United States based on the modified accelerated cost recovery system (MACRS). Under this system, the capitalized costs (basis) of tangible property is recovered over a specified life by annual deductions of depreciation.

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Income Taxes - Levant Ministries, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. The Corporation would be liable for taxes on any net income derived from activities unrelated to its exempt purpose.

Cash and Cash Equivalents – For financial statement purposes, Levant Ministries, Inc. considers all highly liquid available investments for current use with an initial maturity of three months or less to be cash equivalents.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses - The costs of providing various programs and activities have been summarized on a functional and natural basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services rendered. Levant Ministries, Inc. provides a separate statement of functional expenses, on the face of the statements of activities.

Subsequent Events – Subsequent events have been evaluated through January 31, 2019 which is the date the financial statements were available to be issued.