

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

ENGAGEMENT LETTER, FINANCIAL STATEMENTS AND
ACCOUNTANT'S COMPILATION REPORT

For the year end of December 31, 2019



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, 2019, 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
May 27, 2020

LEVANT MINISTRIES, INC.
Statement of Financial Position
For the Year Ended December 31, 2019

Assets

Current Assets

Cash and Cash Equivalents	\$ 124,531
Contribution Receivables	-
Total Current Assets	<u>124,531</u>

Noncurrent Assets

Property and Equipment	49,565
Accumulated Depreciation	(31,751)
Total Property & Equipment	<u>17,814</u>
Total Noncurrent Assets	<u>17,814</u>

Total Assets	<u><u>\$ 142,345</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts Payable	2,170
Other Current Liabilities	9,562
Payroll Liabilities	2,885
Total Current Liabilities	<u>14,618</u>

Long-Term Liabilities	-
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Total Liabilities	<u>14,618</u>
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Net Assets

Without Donors Restrictions - Undesignated	127,727
With Donors Restrictions	0

Total Net Assets	<u>127,727</u>
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Total Liabilities and Net Assets	<u><u>\$ 142,345</u></u>
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LEVANT MINISTRIES, INC.
Statement of Activities
For the Year Ended December 31, 2019

	Without Donors Restrictions	With Donors Restrictions	TOTAL
Support			
Contributions, Gifts, and Grants	\$ 204,590	\$ 157,850	\$ 362,440
Net Assets Released From Restrictions	255,526	(255,525.79)	-
Total Support	460,116	(97,676)	362,440
Program Revenue			
NEXTGEN Conference	80		80
NEXTGEN Send	13,239	-	13,239
Levant Media Productions	2,020	-	2,020
Total Program Revenue	15,339	-	15,339
Total Support & Program Revenue	475,455	(97,676)	377,779
Expenditures			
Fundraising Expense	2,772		2,772
Supporting Services Expense			
Management & General	58,755	-	58,755
Program Service Expense			
Levant Media Productions	179,563	-	179,563
NEXTGEN Send	81,270	-	81,270
NEXTGEN Conference	103,970	-	103,970
Total Expenditures	426,330	-	426,330
Change in Net Assets (Funds Balances)	49,125	(97,676)	(48,551)
Net Assets, Beginning of Year	78,602	97,676	176,278
Net Assets, End of Year	\$ 127,727	\$ 0	\$ 127,727

See Accompanying Notes and Independent Accountant's Compilation Report

LEVANT MINISTRIES, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program Services		Supporting Services		Fundraising	TOTAL
	Levant Media Productions	NextGen Conference	Total NextGen Send	Management & General	Fundraising	
Advertising & Promotion	1,319	1,736	0	3,394		\$ 6,449
Auto Expense			0	877		\$ 877
Bank & Credit Card Fees			0	4,682		\$ 4,682
Conferences & Conventions		8,929	0	0		\$ 8,929
Depreciation Expense				8,289		\$ 8,289
Dues & Permits	2,000		0	0		\$ 2,000
Equipment Rental	1,391		780	0		\$ 2,171
Evangelism & Discipleship			1,136	0		\$ 1,136
Event Planning		1,312	0	0		\$ 1,312
Gifts & Appreciation	1,315	141	0	362		\$ 1,818
Grants/ Ministry Support		1,215	49,239	0		\$ 50,454
Graphic Design Services			0	680		\$ 680
Honorariums		1,240	0	0		\$ 1,240
Information Technology	1,539		0	1,934		\$ 3,473
Leadership Training		187	1,014	248		\$ 1,449
Legal & Professional Fees			0	3,900		\$ 3,900
Levant Media - Egypt	74,987		0	0		\$ 74,987
License & Subscriptions			0	1,413		\$ 1,413
Meals & Entertainment			65	851	54	\$ 969
Media Productions	25,276	14,931	0	0		\$ 40,207
Media Translation	10,620		0	0		\$ 10,620
Office Expenses	514		0	5,291	60	\$ 5,865
Other Miscellaneous Fees			0	229		\$ 229
Other Taxes			0	817		\$ 817
Outside Services	3,000		5,633	8,700		\$ 17,333
Payroll Expenses						
Payroll Taxes	3,121	1,285	367	734		\$ 5,508
Wages	38,850	17,850	5,100	10,200		\$ 72,000
Total Payroll Expenses	41,971	19,135	5,467	10,934	0	\$ 77,508
Printing, Publications & Postage		19,213	0	488	550	\$ 20,252
Rent			0	1,658		\$ 1,658
Repair & Maintenance			0	263		\$ 263
Supplies & Materials	2,645		0	0		\$ 2,645
Telephone			0	2,199		\$ 2,199
Travel & Accommodations	12,986	35,931	17,936	1,546	2,108	\$ 70,508
Total Expenses By Function	179,563	103,970	81,270	58,755	2,772	\$ 426,330

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LEVANT MINISTRIES, INC.
Statement of Cash Flows
For the Year Ended December 31, 2019

	2019
Cash Flows From Operating Activities	
Increase (Decrease) in Net Assets	\$ (48,551.01)
Adjustments to reconcile Net Assets to Net Cash provided by operations:	
Depreciation	8,289
Accounts Payable	(1,452)
Other Liabilities	3,816
Payroll Liabilities	(4,895)
Total Adjustments to reconcile Net Assets to Net Cash provided by operations:	5,758
Net Cash Provided (Used) by Operating Activities	(42,794)
 Cash Flows From Investing Activities	
 Net Cash Provided (Used) by Investing Activities	(9,445)
 Cash Flows From Financing Activities	
Notes Payable	-
Net Cash Provided (Used) by Financing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	(52,239)
Cash and Cash Equivalents, Beginning of Year	176,770
Cash and Cash Equivalents, End of Year	\$ 124,531
 <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, 2019

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 with the primary mission of sharing the Gospel with all Arabic-speaking people and growing them to become faithful followers of Jesus Christ. The Organization is committed to reaching young people with the hope of Jesus and empowering the next generation of Christian leaders to fulfill the Great Commission. Levant Ministries accomplishes its mission through its dedicated staff and volunteers in the Middle East and by working alongside an established network of strategic ministry partners.

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

1) NEXTGEN Conference: This annual conference gathers the next generation of youth and young adults in the US and in the Middle East for training, workshop and seminar events. Featuring prominent artists and distinguished guest speakers, NextGen Conference directly reaches the next generation with the Gospel message.

2) NEXTGEN Media: This program utilizes comprehensive online strategies for a dynamic approach to evangelism and discipleship. NextGen Media produces creative visual media using multiple online platforms in order to deliver the Gospel in a way that is innovative, engaging and culturally/ generationally relevant to all Arabic speakers. NEXTGEN Media content includes:

1. Training and discipleship materials
2. Animated short videos
3. Music and audio projects
4. Documentary series
5. Video-based small group curriculum
6. Apologetics and devotional programs
7. Leadership resources

3) NEXTGEN Send: This program trains and mobilizes NextGen leaders from the US, Canada and the Middle East to launch small groups, serve on mission trips and plant life-giving churches in areas of need. NextGen Send leaders transform communities through strategic initiatives and projects focusing on evangelism, discipleship and multiplication.



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LEVANT MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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, 2019.

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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LEVANT MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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 assumptions 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, 2020 which is the date the financial statements were available to be issued.