

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

ENGAGEMENT LETTER, FINANCIAL STATEMENTS AND  
ACCOUNTANT'S COMPILATION REPORT

For the year end of December 31, 2020



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, 2020, 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  
August 16, 2021

LEVANT MINISTRIES, INC.  
Statement of Financial Position  
For the Year Ended December 31, 2020

**Assets**

**Current Assets**

Cash and Cash Equivalents	\$ 316,245
Contribution Receivables	-
Undeposited Funds	212
Total Current Assets	<u>316,457</u>

**Noncurrent Assets**

Property and Equipment	64,238
Accumulated Depreciation	(52,715)
Total Property & Equipment	<u>11,523</u>
Total Noncurrent Assets	<u>11,523</u>

<b>Total Assets</b>	<b><u><u>\$ 327,980</u></u></b>
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**Liabilities and Net Assets**

**Current Liabilities**

Accounts Payable	50
Other Current Liabilities	3,407
Payroll Liabilities	1,288
Reimbursement Account	682
SBA PPP Loan Payable	16,147
Total Current Liabilities	<u>21,574</u>

**Long-Term Liabilities**

SBA EIDL Note Payable	149,900
Total Long-Term Liabilities	<u>149,900</u>

<b>Total Liabilities</b>	<b><u>171,474</u></b>
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**Net Assets**

Without Donors Restrictions - Undesignated	156,506
With Donors Restrictions	-
Total Net Assets	<u>156,506</u>

<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 327,980</u></u></b>
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LEVANT MINISTRIES, INC.  
Statement of Activities  
For the Year Ended December 31, 2020

	Without Donors Restrictions	With Donors Restrictions	TOTAL
<b>Support</b>			
Contributions, Gifts, and Grants	\$ 243,991	\$ 97,825	\$ 341,816
<b>Net Assets Released From Restrictions</b>	97,825	(97,825)	-
<b>Total Support</b>	341,816	-	341,816
<b>Program Revenue</b>			
NEXTGEN Conference	-		-
NEXTGEN Send	-	-	-
Levant Media Productions	750	-	750
<b>Total Program Revenue</b>	750	-	750
<b>Total Support &amp; Program Revenue</b>	342,566	-	342,566
<b>Expenditures</b>			
<b>Fundraising Expense</b>	2,069		2,069
<b>Supporting Services Expense</b>			
Management & General	102,492	-	102,492
<b>Program Service Expense</b>			
Levant Media Productions	157,599	-	157,599
NEXTGEN Send	34,306	-	34,306
NEXTGEN Conference	17,271	-	17,271
<b>Total Expenditures</b>	313,737	-	313,737
<b>Change in Net Assets (Funds Balances)</b>	28,829	-	28,829
<b>Net Assets, Beginning of Year</b>	127,677	-	127,677
<b>Net Assets, End of Year</b>	\$ 156,506	\$ -	\$ 156,506

See Accompanying Notes and Independent Accountant's Compilation Report

LEVANT MINISTRIES, INC.  
Statement of Functional Expenses  
For the Year Ended December 31, 2020

	Program Services		Supporting Services		Fundraising	TOTAL
	Levant Media Productions	NextGen Conference	Total NextGen Send	Management & General	Fundraising	
Advertising & Promotion	6,106			1,380		\$ 7,486
Auto Expense						\$ 0
Bank & Credit Card Fees				3,224		\$ 3,224
Conferences & Conventions		7,510		0	500	\$ 8,010
Depreciation Expense				20,963		\$ 20,963
Dues & Permits			100	725		\$ 825
Equipment Rental	80	97		0		\$ 177
Evangelism & Discipleship			2,742	0	16	\$ 2,758
Event Planning						\$ 0
Gifts & Appreciation	300	350		284		\$ 934
Grants/ Ministry Support	520	1,977	27,714	0		\$ 30,211
Graphic Design Services				650		\$ 650
Honorariums		2,300		0		\$ 2,300
Information Technology	57	49		1,499		\$ 1,605
Leadership Training				6,613		\$ 6,613
Legal & Professional Fees				3,102		\$ 3,102
Levant Media - Egypt	88,891			0		\$ 88,891
License & Subscriptions				1,843		\$ 1,843
Meals & Entertainment				197	405	\$ 602
Media Productions	24,069	4,988		0		\$ 29,057
Media Translation	4,066			0		\$ 4,066
Office Expenses	2,717			5,822		\$ 8,539
Other Miscellaneous Fees				293		\$ 293
Other Taxes				(1,896.83)		(1,896.83)
Outside Services			3,750			\$ 3,750
<b>Payroll Expenses</b>						
Payroll Taxes	1,913			3,897		\$ 5,809
Wages	45,000	10,000	10,000	9,000		\$ 74,000
<b>Total Payroll Expenses</b>	<b>46,913</b>	<b>10,000</b>	<b>10,000</b>	<b>12,897</b>	<b>0</b>	<b>79,809</b>
Printing, Publications & Postage	3,000	0	0	326	0	\$ 3,326
Rent			0	1,092		\$ 1,092
Repair & Maintenance	880		0	0		\$ 880
Supplies & Materials			0	516		\$ 516
Utilities			0	2,962		\$ 2,962
Travel & Accommodations					1,149	\$ 1,149
<b>Total Expenses By Function</b>	<b>177,599</b>	<b>27,271</b>	<b>44,306</b>	<b>62,492</b>	<b>2,069</b>	<b>313,737</b>

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LEVANT MINISTRIES, INC.  
Statement of Cash Flows  
For the Year Ended December 31, 2020

	2020
<b>Cash Flows From Operating Activities</b>	
Increase (Decrease) in Net Assets	\$ 28,829.13
Adjustments to reconcile Net Assets to Net Cash provided by operations:	
Depreciation	20,963
Accounts Payable	(2,120)
Other Liabilities	9,892
Payroll Liabilities	(915)
Total Adjustments to reconcile Net Assets to Net Cash provided by operations:	27,821
<b>Net Cash Provided (Used) by Operating Activities</b>	56,650
 <b>Cash Flows From Investing Activities</b>	
 <b>Net Cash Provided (Used) by Investing Activities</b>	(14,673)
 <b>Cash Flows From Financing Activities</b>	
Notes Payable	149,900
<b>Net Cash Provided (Used) by Financing Activities</b>	149,900
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	191,877
<b>Cash and Cash Equivalents, Beginning of Year</b>	124,368
<b>Cash and Cash Equivalents, End of Year</b>	\$ 316,245
 <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, 2020

**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:
  - a) Training and discipleship materials
  - b) Animated short videos
  - c) Music and audio projects
  - d) Documentary series
  - e) Video-based small group curriculum
  - f) Apologetics and devotional programs
  - g) 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, 2020

**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, 2020.

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, 2020

**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, 2021 which is the date the financial statements were available to be issued.