

Bibles For China, Inc.

**Financial Statements
And
Independent Accountants'
Compilation Report**

December 31, 2018



BRYAN, LITTLE, HALEY & KENT_{p.c.}
Certified Public Accountants

Board of Directors
Bibles For China, Inc.

Management is responsible for the accompanying financial statements of Bibles For China, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2018 and the related statement of revenue, expenses and changes in net assets – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AIPCA. 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.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Bryan, Little, Haley & Kent PC

Bartlesville, Oklahoma
May 2, 2019

Bibles For China, Inc.
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis
December 31, 2018

Assets

Cash & cash equivalents	\$ <u>288,205</u>
Total Assets	\$ <u>288,205</u>

Liabilities

Payroll taxes payable	2,653
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Net Assets

Net assets without donor restrictions	<u>285,552</u>
Total Liabilities and Net Assets Without Donor Restrictions	\$ <u>288,205</u>

See accompanying notes to the financial statements and accountants' compilation report

Bibles For China, Inc.
Statement of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis
For the Year Ended December 31, 2018

Revenue:	
Donations: general	\$ 640,344
Donations: without restriction designated bible travel	63,636
Miscellaneous revenue	<u>1,108</u>
Total revenue	<u>705,088</u>
Expenses:	
Program services	479,313
Management and general	56,935
Fundraising	<u>51,588</u>
Total expenses	<u>587,836</u>
Change in net assets	117,252
Net assets without donor restrictions – beginning of year	<u>168,300</u>
Net assets without donor restrictions – end of year	<u>\$ 285,552</u>

See accompanying notes to the financial statements and accountants' compilation report

Bibles For China, Inc.
Statement of Functional Expenses – Modified Cash Basis
For the Year Ended December 31, 2018

	<u>Program Services</u>	<u>Mgmt & General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Contract labor	\$ 10,250	\$ --	\$ --	\$ 10,250
Bank and credit card fees	412	11,263	41	11,716
Wages and salaries	79,910	19,787	18,337	118,034
Bibles	314,982	--	--	314,982
Insurance	--	5,428	--	5,428
Meals	212	9	193	414
Media	--	--	18,389	18,389
Office expenses	500	3,670	74	4,244
Other expenses	11	4,066	397	4,474
Postage	586	513	2,258	3,357
Printing and copying	--	2,523	2,062	4,585
Professional fees	--	7,626	1,155	8,781
Travel and meetings	<u>72,450</u>	<u>2,050</u>	<u>8,682</u>	<u>83,182</u>
Total expenses	<u>\$ 479,313</u>	<u>\$ 56,935</u>	<u>\$ 51,588</u>	<u>\$ 587,836</u>

See accompanying notes to the financial statements and accountants' compilation report

Bibles For China, Inc.
Statement of Cash Flows – Modified Cash Basis
For the Year Ended December 31, 2018

Cash flows from operating activities:	
Increase in net assets	\$ 117,252
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Increase in payroll taxes payable	<u>368</u>
Net cash provided by operating activities	<u>117,620</u>
Net increase in cash and cash equivalents	117,620
Cash and cash equivalents at beginning of year	<u>170,585</u>
Cash and cash equivalents at end of year	<u>\$ 288,205</u>

Supplemental disclosures of cash flow information:

There were no interest payments for the year.

See accompanying notes to the financial statements and accountants' compilation report

Bibles For China, Inc.
Notes to the Financial Statements
December 31, 2018

Note 1 – Summary of Significant Accounting Policies

A. Organization and Nature of Activities

Bibles For China, Inc. (BFC) is a charitable tax-exempt organization created on December 3, 2010, for the purpose of providing bibles to rural China.

B. Basis of Accounting and Presentation

The financial statements are presented in accordance with FASB Codification 958 and report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The organization changed accounting policies related to donor restriction by adopting FASB Accounting Standards Update (ASU) No. 2016-14, Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities, in 2018. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used.

The financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, BFC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

D. Use of Estimates

The preparation of financial statements in conformity with modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Bibles For China, Inc.
Notes to Financial Statements
December 31, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Taxes

Bibles For China, Inc. is exempt from income taxes under code Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). As a result, no provision for current or deferred income tax liability is recognized. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The BCF's federal form 990 returns for 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

F. Donated Services

During the year ended December 31, 2018, the value of donated services meeting the requirements for recognition under FASB Codification 958 was not satisfied and therefore has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the BFC.

G. Public Support and Revenue

Contributions are generally available without restrictions in the related year unless specifically restricted by the donor. Grants and other contributions are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

H. Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

Bibles For China, Inc.
Notes to Financial Statements
December 31, 2018

Note 2 – Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 3 – Subsequent Events

Subsequent events were evaluated through May 2, 2019, which the date the financial statements were available to be issued.