

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**



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**YEAR ENDED DECEMBER 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Child Evangelism Fellowship, Inc.  
Warrenton, Missouri

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of Child Evangelism Fellowship, Inc., a nonprofit organization, which comprise the statement of financial position as of December 31, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Evangelism Fellowship, Inc. as of December 31, 2024, the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Child Evangelism Fellowship, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Child Evangelism Fellowship, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Child Evangelism Fellowship, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Child Evangelism Fellowship, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on Summarized Comparative Information**

We have previously audited Child Evangelism Fellowship, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
May 5, 2025

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**  
(WITH COMPARATIVE FINANCIAL INFORMATION AS OF DECEMBER 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 3,790,639	\$ 1,660,445	\$ 5,451,084	\$ 1,544,828
Investments	2,628,105	-	2,628,105	2,580,271
Accounts and Other Receivables	332,662	-	332,662	62,873
Accounts Receivable Canada, Net of Allowance for Credit Losses of \$492,540 at December 31, 2024	29,968	-	29,968	-
Inventories	511,973	-	511,973	390,961
Prepaid Expenses and Other Assets	3,171	-	3,171	3,016
Total Current Assets	7,296,518	1,660,445	8,956,963	4,581,949
<b>OTHER INVESTMENT IN PROPERTY</b>	2,365,226	-	2,365,226	2,365,226
<b>INVESTMENTS HELD FOR CONTRACTS PAYABLE</b>	898,126	-	898,126	923,062
<b>FINANCING RIGHT OF USE ASSET</b>	34,404	-	34,404	103,960
<b>PROPERTY AND EQUIPMENT</b>				
Land	91,800	-	91,800	91,800
Buildings and Improvements	8,766,527	-	8,766,527	9,434,907
Equipment	2,408,709	-	2,408,709	2,203,459
Furniture and Fixtures	96,642	-	96,642	96,642
Missionary Equipment	1,844,466	-	1,844,466	1,743,091
Total	13,208,144	-	13,208,144	13,569,899
Less: Accumulated Depreciation	(8,534,293)	-	(8,534,293)	(8,354,458)
Net Property and Equipment	4,673,851	-	4,673,851	5,215,441
Total Assets	<u>\$ 15,268,125</u>	<u>\$ 1,660,445</u>	<u>\$ 16,928,570</u>	<u>\$ 13,189,638</u>

See accompanying Notes to Financial Statements.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2024**  
(WITH COMPARATIVE FINANCIAL INFORMATION AS OF DECEMBER 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Short-Term Notes Payable	\$ 120,000	\$ -	\$ 120,000	\$ 120,000
Current Lease Liability - Financing	31,712	-	31,712	73,731
Current Maturities of Contracts Payable	534,910	-	534,910	567,682
Accounts Payable	457,433	-	457,433	276,427
Accrued Vacation and Sick Leave	299,698	-	299,698	326,729
Other Accrued Liabilities	148,616	-	148,616	69,262
Deferred Revenue	25,084	-	25,084	17,777
Total Current Liabilities	1,617,453	-	1,617,453	1,451,608
 <b>LONG-TERM LIABILITIES, LESS CURRENT MATURITIES</b>				
Lease Liability - Financing	-	-	-	31,712
Contracts Payable	658,683	-	658,683	690,603
Total Liabilities	2,276,136	-	2,276,136	2,173,923
 <b>NET ASSETS</b>	12,991,989	1,660,445	14,652,434	11,015,715
 Total Liabilities and Net Assets	<u>\$ 15,268,125</u>	<u>\$ 1,660,445</u>	<u>\$ 16,928,570</u>	<u>\$ 13,189,638</u>

See accompanying Notes to Financial Statements.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Contributions of Cash and Other Financial Assets	\$ 13,276,744	\$ 6,239,982	\$ 19,516,726	\$ 15,704,089
Contributions of Nonfinancial Assets	177,639	-	177,639	136,381
Sales of Literature and Materials	1,352,336	-	1,352,336	1,338,260
Institute and Training Registrations	193,415	-	193,415	201,750
Investment Income	297,993	-	297,993	295,530
Royalty Income	9,074	-	9,074	11,172
Other Income	253,793	-	253,793	271,591
Loss on Sale of Fixed Assets	(6,846)	-	(6,846)	(1,760)
Change in Value of Split-Interest Agreements	(68,199)	-	(68,199)	(63,058)
Net Assets Released from Restrictions	5,511,513	(5,511,513)	-	-
Total Revenues, Gains, and Other Support	20,997,462	728,469	21,725,931	17,893,955
<b>PROGRAM SERVICES</b>				
International Ministries	6,186,134	-	6,186,134	6,841,644
Sponsor-A-National	3,593,401	-	3,593,401	3,583,869
Box of Books and Other	785,342	-	785,342	547,438
Cost of Literature and Materials	2,530,252	-	2,530,252	3,082,999
Training	1,097,402	-	1,097,402	982,127
United States Ministries	2,271,021	-	2,271,021	2,402,647
Military Children's Ministries	108,134	-	108,134	96,736
Total Program Services	16,571,686	-	16,571,686	17,537,460
<b>SUPPORTING SERVICES</b>				
General and Administrative	2,056,594	-	2,056,594	2,456,060
Fundraising and Promotion	2,164,518	-	2,164,518	2,128,836
Total Supporting Services	4,221,112	-	4,221,112	4,584,896
Total Functional Expenses	20,792,798	-	20,792,798	22,122,356
<b>NONOPERATING ACTIVITIES</b>				
Fair Value Gain Adjustment of Land	-	-	-	445,490
Held as Other Investment Property	-	-	-	-
Casualty Gain	2,703,586	-	2,703,586	-
Total Nonoperating Activities	2,703,586	-	2,703,586	445,490
<b>CHANGES IN NET ASSETS</b>	2,908,250	728,469	3,636,719	(3,782,911)
Net Assets - Beginning of Year	10,083,739	931,976	11,015,715	14,798,626
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 12,991,989</u>	<u>\$ 1,660,445</u>	<u>\$ 14,652,434</u>	<u>\$ 11,015,715</u>

See accompanying Notes to Financial Statements.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

	Program Services					
	International Ministries	Sponsor-A- National	Boxes of Books and Other	Cost of Literature and Materials	Training	United States Ministries
Salaries	\$ 1,611,544	\$ -	\$ 165,340	\$ 1,083,846	\$ 410,514	\$ 1,269,271
Employee Benefits	339,430	-	16,348	162,113	45,843	197,060
Payroll Taxes	115,459	-	8,819	85,354	30,992	97,219
Cost of Goods Sold	-	-	-	468,039	-	-
Promotion	160,886	-	8,322	7,582	505	146,934
Telephone	42,175	-	1,223	-	-	24,804
Dues and Subscriptions	21,744	-	1,497	31,660	636	17,451
Legal, Professional, and Printing	33,217	-	103	44	677	71,161
Postage and Shipping	27,440	-	5,559	158,605	803	3,596
Travel	772,907	-	23,160	1,530	1,303	28,400
Conferences and Seminars	168,715	-	3,871	-	1,100	14,629
Literature	328,181	-	537,267	-	18,259	248
Field Development	1,745,645	3,593,401	-	16,557	27,480	204,443
Taxes	25,031	-	-	-	-	-
Insurance	11,277	-	-	-	-	25,262
Real Estate	17,000	-	-	-	-	-
Personal Expenses/Gifts	6,693	-	-	-	-	-
Provision for Furlough	9,876	-	-	-	-	-
Maintenance and Equipment	62,662	-	717	109,702	134,423	-
Guest Services	80,342	-	-	48,872	81,334	36,108
Education	218,400	-	25	78	5,328	20,945
Office Expenses	93,919	-	2,653	22,108	1,946	5,588
Meals and Housing	-	-	-	-	66,377	-
Information Services/Data Systems	51,199	-	9,637	189,316	123,383	53,912
Miscellaneous	3,150	-	-	-	-	-
Interest	-	-	-	-	-	-
Depreciation and Amortization	239,242	-	801	144,846	146,499	53,990
<b>Total Expenses</b>	<b>\$ 6,186,134</b>	<b>\$ 3,593,401</b>	<b>\$ 785,342</b>	<b>\$ 2,530,252</b>	<b>\$ 1,097,402</b>	<b>\$ 2,271,021</b>
<b>CURRENT YEAR PERCENTAGES</b>	29.75%	17.28%	3.78%	12.17%	5.28%	10.92%

See accompanying Notes to Financial Statements.



**CHILD EVANGELISM FELLOWSHIP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

	Program Services		Supporting Services			Totals	
	Military Children's Ministry	Total	General and Administrative	Fund Raising and Promotion	Total	2024	2023
Salaries	\$ 74,830	\$ 4,615,345	\$ 1,116,920	\$ 653,667	\$ 1,770,587	\$ 6,385,932	\$ 6,461,059
Employee Benefits	3,591	764,385	121,518	83,384	204,902	969,287	1,030,885
Payroll Taxes	5,823	343,666	96,003	49,544	145,547	489,213	488,474
Cost of Goods Sold	-	468,039	-	-	-	468,039	518,291
Promotion	-	324,229	791	385,214	386,005	710,234	551,778
Telephone	-	68,202	4,066	7,472	11,538	79,740	60,354
Dues and Subscriptions	55	73,043	11,099	2,036	13,135	86,178	93,880
Legal, Professional, and Printing	-	105,202	80,581	14,374	94,955	200,157	891,989
Postage and Shipping	177	196,180	2,358	133,530	135,888	332,068	371,404
Travel	15,998	843,298	63,660	151,307	214,967	1,058,265	770,139
Conferences and Seminars	285	188,600	7,537	427,067	434,604	623,204	707,829
Literature	-	883,955	-	1,176	1,176	885,131	1,417,642
Field Development	-	5,587,526	11,135	49,808	60,943	5,648,469	6,047,401
Taxes	-	25,031	4,684	85	4,769	29,800	8,285
Insurance	-	36,539	138,780	-	138,780	175,319	204,279
Real Estate	-	17,000	-	-	-	17,000	-
Personal Expenses/Gifts	-	6,693	-	-	-	6,693	-
Provision for Furlough	-	9,876	-	-	-	9,876	-
Maintenance and Equipment	-	307,504	9,881	32,505	42,386	349,890	343,494
Guest Services	-	246,656	-	5,241	5,241	251,897	197,240
Education	118	244,894	7,791	-	7,791	252,685	42,730
Office Expenses	16	126,230	4,093	3,033	7,126	133,356	234,797
Meals and Housing	-	66,377	-	-	-	66,377	65,936
Information Services/Data Systems	7,241	434,688	170,367	126,427	296,794	731,482	819,152
Miscellaneous	-	3,150	-	2,509	2,509	5,659	5,005
Interest	-	-	205	20,851	21,056	21,056	18,805
Depreciation and Amortization	-	585,378	205,125	15,288	220,413	805,791	771,508
<b>Total Expenses</b>	<b>\$ 108,134</b>	<b>\$ 16,571,686</b>	<b>\$ 2,056,594</b>	<b>\$ 2,164,518</b>	<b>\$ 4,221,112</b>	<b>\$ 20,792,798</b>	<b>\$ 22,122,356</b>
<b>CURRENT YEAR PERCENTAGES</b>	0.52%	79.70%	9.90%	10.40%	20.30%	100.00%	100.00%

See accompanying Notes to Financial Statements.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 3,636,719	\$ (3,782,911)
Adjustments to Reconcile Changes in Net Assets to Net		
Cash Provided (Used) by Operating Activities:		
Depreciation	736,982	702,699
Amortization of Right of Use Asset	68,809	68,809
Annuities Issued	40,000	30,000
Loss on Sale of Fixed Assets	6,846	1,760
Change in Value of Split Interest Agreements	68,199	63,058
Realized Gain on Sale of Investments	(96,225)	(30,870)
Unrealized Gain on Investments	(114,238)	(179,352)
Fair Value Gain of Land Held as Other Investment Property	-	(445,490)
Credit Loss Expense	-	11,077
Effects of Changes in Operating Assets and Liabilities:		
Accounts and Other Receivables	(299,757)	60,153
Inventories	(121,012)	23,611
Prepaid Expenses	(155)	2,553
Right of Use Asset	747	(747)
Accounts Payable	181,006	64,812
Accrued Vacation and Sick Leave	(27,031)	(25,543)
Other Accrued Liabilities	79,354	(93,652)
Deferred Revenue	7,307	(14,124)
Net Cash Provided (Used) by Operating Activities	4,167,551	(3,544,157)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Building Improvements and Equipment	(461,786)	(717,447)
Proceeds from Sale of Vehicles and Equipment	-	9,000
Purchases of Investments	(40,000)	(30,000)
Proceeds from Sale of Investments	227,565	515,791
Proceeds for Disposal of Assets	(259,548)	-
Net Cash Used by Investing Activities	(533,769)	(222,656)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Finance Leases	(73,731)	(70,493)
Payments to Annuitants	(147,026)	(114,546)
Payments on Contracts Payable	(25,865)	(173,212)
Net Cash Used by Financing Activities	(246,622)	(358,251)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	3,387,160	(4,125,064)
Cash and Cash Equivalents - Beginning of Year	1,544,828	5,669,892
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,931,988</u>	<u>\$ 1,544,828</u>

See accompanying Notes to Financial Statements.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Child Evangelism Fellowship, Inc. (the Organization or CEF®) is a nonprofit organization incorporated under the Michigan General Not-For-Profit Corporation Act. The purpose of the Organization is to evangelize children with the gospel of the Lord Jesus Christ. The financial statements include the accounts of Child Evangelism Fellowship, Inc., but do not include the various foreign, state, and local chapters which the Organization may support.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Basis of Presentation**

Financial statement presentation follows guidance set forth by U.S. GAAP accepted for nonprofit organizations, which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction.

**Prior Year Summarized Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

**Estimates and Assumptions**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Description of Program and Supporting Services**

The following program and supporting services are included in the accompanying financial statements.

**Program Services**

*International Ministries*

The International Ministries department provides leadership, administration, and financial support for CEF® offices and missionaries around the world. CEF is working toward a goal of having a CEF ministry in every country of the world.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Description of Program and Supporting Services (Continued)**

Program Services (Continued)

*Sponsor-A-National™ (SPAN)™*

The *Sponsor-A-National™* program provides financial assistance to *CEF* national workers so they can begin full-time service with *CEF* while learning to raise support.

*Boxes of Books*

The Boxes of Books program provides boxes of teaching materials free of charge to *CEF* ministries in over 100 countries.

*Literature and Materials*

*CEF Press®* publishes and distributes Bible lesson curriculum, teaching tools, and supporting materials to help *CEF* accomplish ministry goals. *CEF Studios™* produces videos to promote the work of *CEF*, recruit workers, and in other ways further the ministry of reaching boys and girls for Christ.

*Training*

*Children's Ministries Institute® (CMI®)* offers one of the most innovative, practical training programs available for leaders in children's ministry. Students receive training in direct ministries to children, teacher training, and ministry organization and leadership. *CMI®* also offers classes online through CMI Online.

*United States Ministries (U.S.A. Ministries)*

The U.S.A. Ministries department provides leadership, administration, and financial support for *CEF* affiliate chapters throughout the United States.

*CEF Military Children's Ministry™*

The *CEF Military Children's Ministry™* reaches the children on U.S. military installations and military communities through *CEF* programs like after-school *Good News Club®*, *5-Day Club®*, *Truth Chasers Club*, teaching training, and *Christian Youth In Action®*.

Supporting Services

*General and Administrative*

These expenses include the functions necessary to support the ministry programs and to maintain the facilities at the Organization's International Headquarters campus.

*Fundraising and Promotion*

These expenses provide the structure necessary to encourage and secure financial support for *CEF* through contributions.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Concentration of Credit Risk**

The majority of the Organization's cash and cash equivalents are maintained at one bank. The bank provides a maximum protection under regulations issued by the Federal Deposit Insurance Corporation (FDIC). At various times during the year ended December 31, 2024, deposits at this bank may have exceeded the FDIC's maximum insurable balance. At December 31, 2024, deposits at all banks in excess of federally insured limits were \$3,054,808. Also, the Organization's investments are subject to the inherent risks with the securities market.

**Cash and Cash Equivalents**

Cash and cash equivalents represent cash and money market funds held at a bank and at a foundation.

**Accounts Receivable**

Accounts receivable consist primarily of sales of literature and materials to customers and related chapter organizations throughout the world and are uncollateralized obligations due under normal trade terms generally requiring payment within 30 days from the invoice date. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoice. Accounts receivables are stated at the amount management expects to collect from outstanding balances at the time the right to consideration is unconditional. Management individually reviews all accounts receivable balances that exceed the due date by several days and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management believes the composition of receivables is consistent with historical conditions and that future economic conditions will not have a significant impact on collection of the receivable allowance balances. Therefore, the allowance for credit losses for standard accounts receivable is \$-0- and \$492,540 for the accounts receivable Canada at December 31, 2024.

As of December 31, 2024, related U.S. chapters owe approximately \$71,000.

**Related Party Payables**

As of December 31, 2024, related the Organization owes various U.S. chapters approximately \$2,500 within accounts payable and owes USA Affiliates approximately \$56,000 of accrued expenses.

**Pledges**

Pledges are recorded as gift revenue when the related cash is collected. Pledges are obtained as an intention to give by the donor and not as an unconditional promise to give.

**Inventories**

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Inventory costs include materials, labor, and production overhead.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment is recorded at cost if purchased and fair value if contributed and depreciated using the straight-line method based on the estimated useful lives of the assets ranging from 5 to 40 years. The Organization capitalizes property and equipment when the cost or fair value is greater than \$1,000.

**Long-Lived Assets**

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Recognition of Donor Restrictions**

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Because missionary work is the primary mission of the Organization, contributions for missionary work are considered contributions without donor restrictions. The Organization makes every effort to honor the contribution restrictions of the donor, but the contributions remain under the direction and control of the Organization. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as Net Assets Released from Restrictions. Investment income on assets with donor restriction whose restrictions are met in the same period are shown as increases in support without donor restriction.

The Organization reports gifts of long-lived assets as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash that must be used to acquire long-lived assets are reported as support with donor restriction. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Sales of Literature and Materials**

The Organization enters into contracts with customers to publish and provide instructional literature and materials for use within the Organization and for sale to outside customers, which is typically the only performance obligation. The pricing and payment terms for contracts are based on the Organization's standard terms and conditions or the result of specific negotiations with each customer. Contracts do not contain a significant financing component as the Organization's standard terms and conditions generally require payment within 30 days from the invoice date.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Sales of Literature and Materials (Continued)**

Revenue is recognized when control of literature and materials has transferred to customers. Control typically transfers to customers at a point in time, when the product has been shipped as that is generally when legal title, physical possession and risk and rewards transfer to the customer.

**Shipping and Handling**

The Organization has standard shipping and handling rates that are based on the sales price of the shipment. Shipping and handling charges are billed on the customer's invoice and included in sales of literature and materials. Shipping and handling charged by the carrier to transport products to the buyer's destination are included in cost of literature and materials sold.

**Expense Allocation**

Expenses are charged to programs and supporting services on the basis of actual costs incurred by the specific program or supporting service, as well as on the basis of periodic time and expense studies and square footage usage. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Statement of Cash Flows**

Interest of \$21,056 was paid for the year ended December 31, 2024.

Noncash investing transactions that occurred during the year ended December 31, 2024 included the retirement of fully depreciated equipment for \$230,122.

**Income Taxes**

The Organization is exempt from United States federal income taxes under the provisions of the Internal Revenue Code, Section 501(c)(3).

**Net Assets and Contributions**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net Assets available for use in general operations and not subject to donor restrictions.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets and Contributions (Continued)**

*Net Assets With Donor Restrictions* – Net Assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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. The Organization has adopted the policy of reporting net assets released from restrictions upon completion of the donor purpose restriction, regardless of whether the related cash has been received.

**Leases**

The Organization leases office equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statement of financial position. Finance leases are included in financing lease ROU assets, other current liabilities, and other long-term liabilities on our statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses its incremental borrowing rate or a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.



**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**Subsequent Events**

Management has evaluated subsequent events through May 5, 2025, the date that the financial statements were available for issue.

**NOTE 2 INVESTMENTS**

Investments are valued at fair value at the date of purchase or donation. Investment income includes realized and unrealized gains and losses, dividends, and interest. Realized gains and losses are computed on the average cost basis at the trade date. Unrealized gains and losses are computed based on historical cost and quoted market values. The Organization values investments either at fair value or net asset value, depending on the type of investment at December 31, 2024.

Investments consist of the following at December 31, 2024:

	Fair Value	Net Asset Value	Total
Investments Held For Contracts Payable:			
Barnabas Long-Term Growth Fund	\$ -	\$ 898,126	\$ 898,126
Barnabas Investment Fund	-	2,209,283	2,209,283
Barnabas Operating Income Fund	-	397,765	397,765
Fidelity Investments	21,057	-	21,057
Other Investment in Property:			
Fair Value	2,365,226	-	2,365,226
Total Investments	<u>\$ 2,386,283</u>	<u>\$ 3,505,174</u>	<u>\$ 5,891,457</u>

Investment gain for the year ended December 31, 2024 consists of the following:

Realized Gain on Sales of Investments	\$ 96,225
Unrealized Gain on Investments	114,238
Dividend and Interest Income, Net	87,530
Total	<u>\$ 297,993</u>

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 INVENTORIES**

Inventories consist of the following at December 31, 2024:

Raw Materials	\$ 46,715
Work in Process	25,066
Finished Goods	440,192
Total	<u><u>\$ 511,973</u></u>

**NOTE 4 LINE OF CREDIT**

During the year ended December 31, 2024, the Organization maintained a revolving loan agreement with a bank with a \$1,500,000 maximum credit limit. Borrowings under the revolving loan are due on June 19, 2025, with interest payable monthly at 8.50% as of December 31, 2024. This line of credit is secured by a deed of trust of property, inventory, furniture, fixtures, and equipment. The Organization had an outstanding balance on this line of credit of \$-0- at December 31, 2024.

**NOTE 5 NOTES PAYABLE**

Short-term notes payable at December 31, 2024 consist of the following:

<u>Description</u>	<u>Amount</u>
To various individuals; unsecured demand notes payable requiring 60-90 days notice; no maturity date; bearing interest at 3.25%.	<u><u>\$ 120,000</u></u>

**NOTE 6 CONTRACTS PAYABLE**

Contracts payable at December 31, 2024 consist of the following:

	Current Maturities	Long-Term Portion	Total
Revocable Trusts	\$ 240,000	\$ -	\$ 240,000
Irrevocable Trusts	7,886	-	7,886
Annuity Agreements	100,838	658,683	759,521
Revocable Gifts	186,186	-	186,186
Total	<u><u>\$ 534,910</u></u>	<u><u>\$ 658,683</u></u>	<u><u>\$ 1,193,593</u></u>

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 6    CONTRACTS PAYABLE (CONTINUED)**

Revocable trusts represent assets placed in trust with the Organization. Periodic interest payments are made using interest rates ranging from 3.25% to 6%. The agreements may be cancelled upon written notification of the grantor, with the requirement that all assets be distributed to the grantor within 30 to 90 days, depending on the individual agreement. All of the agreements terminate with the death of the survivor of the grantor or other beneficiaries; beneficiaries include other organizations and individuals, as well as the Organization.

Irrevocable trusts represent assets placed in trust with the Organization. Periodic interest payments are made using interest rates in the range from 3.25% to 8.5%. All agreements terminate with the death of the survivor of the grantor or other beneficiaries; beneficiaries include other individuals as well as the Organization.

At December 31, 2024, the Organization was listed as the beneficiary for \$125,000 of the revocable and irrevocable trusts.

Annuity agreements represent the present value of future annuities payable to the annuitants as of December 31, 2024, which is calculated annually based on actuarial assumptions. The change in value of split interest agreements is (\$68,199) for the year ended December 31, 2024. The Organization has segregated \$898,126 of investment as separate and designated funds to be used for no purpose other than annuity benefits.

Revocable gifts represent assets deposited with the Organization on which interest is accrued and paid either monthly, quarterly, semi-annually, or annually. Interest rates are at 3.25%. These agreements are cancelable upon written notification of the donor. Upon the donor's death, all assets under the agreement become the property of the Organization.

**NOTE 7    RETIREMENT PLAN**

The Organization maintains a defined contribution plan with a 401(k) feature. Under this retirement plan, the Organization may make a discretionary matching contribution equal to a uniform percentage of participant salary deferrals. During the year ended December 31, 2024, the expense charged to operations for employer matching contributions was \$303,534.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8 NET ASSETS**

Net assets with donor restrictions at December 31, 2024 are available for the following purposes:

Program Services:	
Local Director Assistance Program	\$ 478,520
Other Countries	262,952
State Director Assistance Program	243,802
International Conference	241,229
Missionaries	137,620
India Training Center	113,513
Christmas Party Clubs	61,299
Scholarships	38,498
Kauffman Innovation Award	35,000
City Growth	26,818
Serbia - Camp Good News Scholarships	13,295
Jamaica Partnership	6,900
USA - Camp Good News	998
Total Program Services	<u><u>\$ 1,660,444</u></u>

Net assets without donor restrictions at December 31, 2024 but with a designation established by the board have been established for the following purposes:

Annuity Reserve	\$ 898,126
Operating Reserve	986,500
Cash Reserve	142,256
Demand Note Reserve	125,478
Severance	40,001
Crisis Management Fund	48,612
Roof Project	2,778,481
Paving Project	161,725
HQ Projects	75,000
Total	<u><u>\$ 5,256,179</u></u>

**NOTE 9 NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

The following net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the year ended December 31, 2024. It is the Organization's policy to recognize the release of donor restrictions for gifts received for long-lived assets when the long-lived asset is received or purchased and placed in service.

Purpose restrictions accomplished:

Program Services	<u><u>\$ 5,511,513</u></u>
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**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 10 FAIR VALUE MEASUREMENT AND NET ASSET VALUE**

In accordance with Accounting Standards Codification (ASC) 820-10, *Fair Value Measurement*, the Organization reports at fair value financial assets and liabilities that are measured on a recurring basis. The fair values of significant financial assets and liabilities that are measured on a recurring basis at December 31, 2024 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Total at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Other Investment in Property -				
Nonrecurring	\$ 2,365,226	\$ -	\$ 2,365,226	\$ -
Fidelity Investments	21,057	21,057	-	-
Total Assets	<u>\$ 2,386,283</u>	<u>\$ 21,057</u>	<u>\$ 2,365,226</u>	<u>\$ -</u>

Investment earnings and losses are presented within the statement of activities. In accordance with ASC 820-10, the investments are valued based on Levels 1, 2, and 3 inputs in the determination of fair value. Inputs for asset values are defined as follows:

*Level 1* – Fair value is determined through quoted prices in active (public) markets for identical assets.

*Level 2* – Fair value is determined through inputs other than quoted prices included within Level 1 that are observable for the asset either directly or indirectly, including appraisal of property (land).

*Level 3* – Fair value is determined through unobservable inputs.

**Investments Valued at Net Asset Value**

The following table sets forth a summary of the investments of the Organization valued at net asset value as of December 31, 2024:

<u>Investments</u>	<u>Net Asset Value</u>
Barnabas Long-Term Growth Fund, Investment Fund, and Operating Income Fund	<u>\$ 3,526,231</u>

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 10 FAIR VALUE MEASUREMENT AND NET ASSET VALUE (CONTINUED)**

**Investments Valued at Net Asset Value (Continued)**

The investments that are recorded at net asset value are in the Barnabas Long-Term Growth Fund, the Barnabas Endowment Fund, and the Barnabas Operating Income Fund, which are component funds of the Barnabas Foundation Common Trust Fund. The Barnabas Long Term Growth and Endowment Funds invest primarily in value stocks, growth stocks, international stocks, mid to small cap stocks, U.S. and non-U.S. real estate investment trusts, U.S. treasuries, U.S. agencies, corporate debt, foreign debt, high yield bonds, managed futures, fund of funds hedge funds, and money market investments. The Barnabas Operating Income Fund is currently in a cash equivalents fund. The investment objective is to gain long-term capital appreciation while managing risk through investment allocation to a broad diversification of investments. There are no unfunded commitments as of December 31, 2024. Redemption is allowed once a month and, generally, 15-day notice for a full redemption is required.

**NOTE 11 LIQUIDITY**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal, including ongoing donations, cash on hand, and an outside line of credit. As of December 31, 2024, \$1,500,000 is available to draw upon from the line of credit if needed. In addition, certain board designated assets are set aside for certain purposes but could be redirected with board approval.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be undertaken and supported by general expenditures of:

- Training volunteers and missionaries,
- Literature creation and distribution,
- Translations of languages,
- Supporting a National (SPAN), and
- Field support of local and worldwide operations.

The following table shows the financial assets held by the Organization and the amounts of those financial assets that could be made available within one year of the statement of financial position date to meet general expenditures, as of December 31, 2024:

Cash and Cash Equivalents	\$ 5,451,084
Accounts Receivable, Net	332,662
Accounts Receivable Canada, Net	29,968
Investments	2,628,105
Total	8,441,819
Less: Donor Restricted Net Assets	(1,660,445)
Less: Board-Designated Net Assets	(3,371,553)
Total	\$ 3,409,821

These assets are shown net of purpose related donor restrictions and board designations.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 12 CONTRIBUTIONS OF NONFINANCIAL ASSETS**

The Organization receives various printed materials, food products, professional services, and other goods which support the accomplishment of its mission. These donations are recorded in the financial statements as in-kind revenue at their estimated fair market value. Contributed goods are utilized by the Organization.

For the fair value techniques for nonfinancial contributions, printed materials are valued by taking the weight of the materials and multiplying by a multiplier of 1551 British pounds, which is a predetermined amount. Vehicle contributions are determined by taking an average of trade in values and private party values from a valuation guide for vehicles. Stock donations are based on the fair market value of the stock when donated. Contributed services are valued based on comparable salary rates.

In-kind goods were received in the form of printed materials, vehicles, and stock donations. During the year ended December 31, 2024, the Organization received \$177,639 of in-kind goods.

Contributed Goods:

Printed Materials	\$ 177,639
Total Contributed Goods	<u>\$ 177,639</u>

Numerous unpaid volunteers have contributed their time to the Organization, principally in program and administrative services. The value of this contributed time is not reflected in these financial statements since it does not meet the criteria for recognition under ASC 958-25-16, *Contributed Services*. Total volunteer hours were approximately 13,400 for the year ended December 31, 2024.

**NOTE 13 LEASES – ASC 842**

The Organization leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2025. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 13 LEASES – ASC 842 (CONTINUED)**

The following table provides quantitative information concerning the Organization's leases.

Lease Costs:

Finance Lease Costs:	
Amortization of Right-of-Use Assets	\$ 68,809
Interest on Lease Liabilities	3,237
Short-Term Lease Costs	7,141
Variable Lease Costs	56,185
Total Lease Costs	<u>\$ 135,372</u>

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flow from Financing Leases	\$ 3,237
Financing Cash Flows from Finance Leases	\$ 73,731
Weighted-Average Remaining Lease Term - Financing Leases	0.4 years
Weighted-Average Discount Rate - Financing	5.00%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities is as follows:

<u>Year Ending December 31,</u>	<u>Financing Leases</u>
2025	<u>\$ 32,070</u>
Total Lease Payments	32,070
Less: Imputed Interest	(358)
Present Value of Lease Liabilities	<u>\$ 31,712</u>

**NOTE 14 INCOME TAXES**

The Organization has adopted ASC 740-10, *Income Taxes*, as it relates to uncertain tax positions and has evaluated its tax positions taken for all open tax years.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded at December 31, 2024.



**CHILD EVANGELISM FELLOWSHIP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 15 CASUALTY GAIN**

During the year ended December 31, 2024, the Organization suffered property damage due to a casualty event of a hail storm. As a result, the Organization has been awarded insurance claims of \$2,963,134 for property damage, which has been applied against the cost to restore the property. At December 31, 2024, the current gain on the casualty of \$2,703,586 is reported on a separate line in the statement of activities as a casualty gain. Proceeds and cost are as follows:

Proceeds:

Hail Proceeds	<u>\$ 2,963,134</u>
Total Proceeds	2,963,134

Costs:

Loss of Fixed Asset Disposals	<u>(259,548)</u>
Total Expenses	<u>(259,548)</u>

Gain on Casualty	<u><u>\$ 2,703,586</u></u>
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The construction on the new roof has not been started as of December 31, 2024 and is expected to be performed in 2025. Per the roofing contract entered into in 2025, the total price of the work to be performed by the contractor is \$3,296,058. The new roof will be capitalized during 2025 once completed.



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