

DYNAMIC CHURCH PLANTING INTERNATIONAL

FINANCIAL STATEMENTS and
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Years Ended December 31, 2022 and 2021

CONTENTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

FINANCIAL STATEMENTS:

Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6



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Independent Accountant's Review Report

To the Board of Directors
Dynamic Church Planting International
Oceanside, CA

I have reviewed the accompanying financial statements of Dynamic Church Planting International (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Dynamic Church Planting International and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my reviews.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Alan M. Lane, CPA
Craig, CO
June 14, 2023

DYNAMIC CHURCH PLANTING INTERNATIONAL
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
ASSETS:		
Cash and Cash Equivalents	\$ 544,938	\$ 530,619
Fixed Assets (Net)		
Operating Right-of-Use Asset	64,006	114,265
Total Assets	\$ 608,944	\$ 644,884
 LIABILITIES AND NET ASSETS:		
Liabilities		
Accounts Payable	\$ 1,027	\$ 9,508
Accrued Expenses	9,597	17,286
Operating Lease Liability	67,878	117,020
Total Liabilities	78,502	143,814
 Net assets:		
Without Donor Restrictions	530,442	501,070
With Donor Restrictions		
Total Net Assets	530,442	501,070
Total Liabilities and Net Assets	\$ 608,944	\$ 644,884

See accompanying notes and independent accountant's review report

DYNAMIC CHURCH PLANTING INTERNATIONAL
Statements of Activities
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 2,016,555	\$	\$ 2,016,555	\$ 1,943,021	\$	\$ 1,943,021
Grant Revenue				28,212		28,212
Other Income	8,499		8,499	314		314
Interest Income	475		475	258		258
Net Assets Released From						
Restrictions and Designations				63,348	(63,348)	0
Total Support and Revenue	2,025,529	0	2,025,529	2,035,153	(63,348)	1,971,805
EXPENSES:						
Program Services	1,801,570		1,801,570	1,819,055		1,819,055
Supporting Services						
General & Administrative	96,866		96,866	112,010		112,010
Fundraising	97,721		97,721	115,827		115,827
Total Supporting Services	194,587		194,587	227,837		227,837
Total Expenses	1,996,157		1,996,157	2,046,892		2,046,892
CHANGE IN NET ASSETS	29,372	0	29,372	(11,739)	(63,348)	(75,087)
BEGINNING NET ASSETS	501,070	0	501,070	512,809	63,348	576,157
ENDING NET ASSETS	\$ 530,442	\$ 0	\$ 530,442	\$ 501,070	\$ 0	\$ 501,070

See accompanying notes and independent accountant's review report

DYNAMIC CHURCH PLANTING INTERNATIONAL

Statements of Functional Expenses Years Ended December 31, 2022 and 2021

EXPENSES	2022				2021			
	Program	General & Administrative	Fundraising	Total	Program	General & Administrative	Fundraising	Total
	Accounting	\$	\$ 31,916	\$	\$ 31,916	\$	\$ 32,412	\$
Bank & Processing Fees	27,871	5,694	5,694	39,259	22,908	4,414	4,414	31,736
Depreciation					2,356			2,356
Development Event					859	3,435	12,882	17,176
Education	5,212			5,212	2,625			2,625
Equipping					2,508			2,508
Global Headquarters	1,497			1,497	23,355			23,355
Insurance	107,900	1,367	911	110,178	104,117	466	310	104,893
International Expenses	54,083			54,083	43,243			43,243
Meals & Entertainment	46,690	578	2,070	49,338	7,043	1,357	4,551	12,951
Medical	2,400			2,400	5,131			5,131
MPD Coaching	4,720			4,720	9,759			9,759
Office	23,057	3,685	6,107	32,849	36,460	4,163	5,111	45,734
Operating Lease - Copier	5,791	1,241	1,241	8,273	5,791	1,241	1,241	8,273
Operating Lease - Office	34,589	6,918	4,612	46,119	31,657	6,331	4,220	42,208
Outside Services	2,250	6,900	25,875	35,025	22,987	3,310	12,310	38,607
Project Management	16,276			16,276	8,125			8,125
Publishing					4,875			4,875
Rebranding	1,980			1,980	5,875			5,875
Recruitment	12,392			12,392	11,000			11,000
Retreats & Meetings	4,392	335	335	5,062	8,086	91	91	8,268
Salaries, Housing Allowances & Taxes	986,536	35,496	48,063	1,070,095	843,205	46,845	46,845	936,895
Storytelling and Communication	19,394			19,394				
Telephone and Utilities	18,624	2,166	1,444	22,234	18,680	1,861	1,250	21,791
Training Events	213,897			213,897	488,468			488,468
Translations	31,406			31,406	22,983			22,983
Travel & Transportation	140,694	570	1,369	142,633	53,122	6,084	22,602	81,808
Vision & Strategy Trip					18,239			18,239
Volunteer Appreciation					628			628
Website	39,919			39,919	14,970			14,970
Total Expenses	\$ 1,801,570	\$ 96,866	\$ 97,721	\$ 1,996,157	\$ 1,819,055	\$ 112,010	\$ 115,827	\$ 2,046,892

See accompanying notes and independent accountant's review report

DYNAMIC CHURCH PLANTING INTERNATIONAL
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 29,372	\$ (75,087)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation		2,356
Lease Adjustment to Straight Line	1,117	
Increase (Decrease) in Accrued Payables	(16,170)	4,392
NET CASH PROVIDED BY OPERATING ACTIVITIES	14,319	(68,339)
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,319	(68,339)
BEGINNING CASH AND CASH EQUIVALENTS	530,619	598,958
ENDING CASH AND CASH EQUIVALENTS	\$ 544,938	\$ 530,619

See accompanying notes and independent accountant's review report

DYNAMIC CHURCH PLANTING INTERNATIONAL
Notes to the Financial Statements
Years Ended December 31, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies

Organization and Programs

Dynamic Church Planting International ("Organization") was incorporated in 1994 in California as a not-for-profit corporation. As such, it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law and contributions by the public are deductible for income tax purposes. The Organization's ministry is to equip leaders to plant dynamic, vibrant churches worldwide. The Organization provides training to leaders in churches to plant reproducing churches and equips others to do the same. This training is provided around the world, primarily outside the U.S.

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting. In addition, the financial statement presentation follows the requirements of the *Financial Accounting Standards Board Accounting Standards Codification (FASB ASC)*, which requires the Organization to 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.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are neither perpetually nor temporarily restricted by donor-imposed stipulations and include revenue from fees, certain investment income, and all gifts, grants, and contributions that are free of donor restrictions. These amounts are currently available at the discretion of the Organization's Board for use in its operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions account for unspent contributions that are restricted by the donor to use for specific purposes or during specific time periods.

DYNAMIC CHURCH PLANTING INTERNATIONAL
Notes to the Financial Statements
Years Ended December 31, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Revenues and Expenses

Contributions without donor restrictions are recognized as income when cash or ownership of donated assets is unconditionally promised to the Organization. Contributions with donor restrictions are recognized as income in the statement of activities when cash or the ownership of assets is unconditionally promised to the Organization, and they are subsequently released to net assets without donor restrictions when conditions have occurred in satisfaction of those designations. Other income is recognized when earned. Expenses are recognized when incurred in accordance with the accrual basis of accounting.

Cash

Highly liquid investments with initial maturities of three months or less are considered to be cash equivalents. The Organization's cash and cash equivalents are on deposit with major domestic financial institutions. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2022 and 2021, the FDIC insurance coverage for bank deposits is up to \$250,000 per account holder. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investment.

Property and Equipment

Property and equipment are stated at cost net of depreciation, which is computed using the straight-line method over the estimated useful service life of the assets. Additions and betterments of \$1,000 or more are capitalized, while repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed currently.

DYNAMIC CHURCH PLANTING INTERNATIONAL
Notes to the Financial Statements
Years Ended December 31, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support increasing net assets without donor restrictions unless the donor has restricted the donated assets for a specific purpose or period of time. Assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization decreases net assets with donor restrictions and increases net assets without donor restrictions at that time (net assets released from restrictions).

Donated Other Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Donated Services

No amounts have been reflected in the financial statements for donated services as the criteria for recognition has not been met under FASB ASC. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific ministry programs, campaign solicitations, and various committee assignments.

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocated expenses include salaries, payroll taxes and processing fees, certain office expenses, IT, and telecommunications. Those expenses were allocated based on management's estimate of time and effort. All expenses incurred in Africa were classified as program expenses, while certain other expenses that could be identified with a specific area were allocated directly.

DYNAMIC CHURCH PLANTING INTERNATIONAL
Notes to the Financial Statements
Years Ended December 31, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Use of Estimates in Financial Statements

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 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 may differ from the estimates.

Subsequent Events

Management has evaluated all subsequent events and transactions through June 14, 2023, the date the financial statements were available to be issued.

Note 2 - Income Tax Status

The Organization is classified as a Section 501(c)(3) Organization under the Internal Revenue Code of 1986. However, income from certain activities not directly related to the Organization's tax exemption purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been classified as a publicly supported organization. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) for disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any open tax periods.

DYNAMIC CHURCH PLANTING INTERNATIONAL
Notes to the Financial Statements
Years Ended December 31, 2022 and 2021

Note 3 - Concentration of Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of contributions receivable. The Organization does not recognize or record contributions receivable based on pledges received or any other basis. Contributions are generally recognized and recorded when the contribution is received. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization invests with financial institutions of sound reputation and evaluates credit risk on an ongoing basis. The Organization has not experienced any losses in such accounts.

Note 4 - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the Statements of Financial Position dates, December 31, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date.

<u>Financial Assets</u>	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Cash & Cash Equivalents	\$ 544,938	\$ 530,619
Less assets unavailable for general expenditures because of donor-imposed restrictions:	-	-
Financial Assets Available for General Expenditures	<u>\$ 544,938</u>	<u>\$ 530,619</u>

DYNAMIC CHURCH PLANTING INTERNATIONAL
Notes to the Financial Statements
Years Ended December 31, 2022 and 2021

Note 5 - Fixed Assets

Expenditures for equipment are capitalized at cost. Donated assets are capitalized at their fair market value on the date of the gift if such value is readily ascertainable. Expenditures for repairs and maintenance are charged to expense. It is the Organization's policy to carry capitalized items at cost, with depreciation provided on a straight-line basis over the estimated useful lives of the assets.

Fixed Assets at December 31, 2022 and 2021, consisted of the following:

	December 31,	
	2022	2021
Computer Software	\$ 31,224	\$ 31,224
Equipment	27,047	27,047
Computers	7,181	7,181
Less Accumulated Depreciation	(65,452)	(65,452)
Net Fixed Assets	\$ 0	\$ 0

Note 6 - Leases

The Organization leases office space under a five-year operating lease which began April 2014. The lease was extended in February 2019 for another five years. The lease contains terms that call for escalating lease payments. The office net lease expense totaled 46,119 and \$42,208 for the years ended December 31, 2022 and 2021, respectively. This lease meets the definition of an operating lease.

The Organization entered into an operating lease for a copy machine in August 2014 with a five-year commitment requiring quarterly lease payments of \$2,041. The lease was renewed in December 2018 for another five years, requiring quarterly lease payments of \$2,068 starting January 2019. Total copier lease expense was \$8,273 per year for the years ended December 31, 2022 and 2021. This lease meets the definition of an operating lease.

DYNAMIC CHURCH PLANTING INTERNATIONAL
Notes to the Financial Statements
Years Ended December 31, 2022 and 2021

Note 6 – Leases (continued)

Minimum non-cancelable payments for both leases are as follows:

	December 31,	
	2021	2021
2021	\$	\$ 53,255
2022	53,475	53,475
2023	49,311	49,311
2024	12,328	12,328
	\$ 115,114	\$ 168,369

Current accounting standards now require all material operating leases be reported on the Statement of Financial Position. For DCPI, the valuation of the corresponding Right-of-Use asset and lease liability is based on the discounted cash flows of all future lease payments at an estimated “risk free” rate (5-year T-Bill yield at beginning of lease) plus 2%. This calculates to a rate of 4.49%. Current standards also require the lease expense be reported on a straight-line basis on the Statements of Activities and Functional Expenses, regardless of the actual payment structure. The right-of-use asset amortizes the straight-line lease payments and the lease liability amortizes the scheduled payments.

Note 7 – Payroll Protection Program (PPP) Loan

In 2021, the organization was granted a \$28,212 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The organization has recognized \$28,212 as grant revenue for the year ended December 31, 2021.