



**University of Leadership and
Ministry**

**Financial Statements
With Independent Auditor's Report**

December 31, 2021 and 2020

University of Leadership and Ministry

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Independent Auditor's Report

To the Board of Trustees
University of Leadership and Ministry
Garner, North Carolina

Opinion

We have audited the financial statements of University of Leadership and Ministry, which comprise the statement of financial position as of December 31, 2021, and 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 accompanying financial statements present fairly, in all material respects, the financial position of University of Leadership and Ministry as of December 31, 2021, and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of University of Leadership and Ministry 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 University of Leadership and Ministry's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

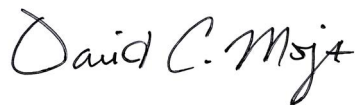
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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 University of Leadership and Ministry'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 University of Leadership and Ministry'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.



Reidsville, GA
April 27, 2022

University of Leadership and Ministry

Statement of Financial Position

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
ASSETS:		
Cash and cash equivalents	\$ 29,974	\$ 3,800
Accounts receivable	95	15,160
Property and equipment—net	1,669	1,410
Other assests		-
	<hr/>	
Total Assets	\$ 31,738	\$ 20,370
	<hr/> <hr/>	
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	\$ 9,562	\$ 1,835
Deferred revenue	-	-
Other liabilities	-	-
	<hr/>	
	9,562	1,835
Net assets:		
Net assets without donor restrictions:		
Operating	22,176	18,535
Board designated	-	-
	<hr/>	
	22,176	18,535
	<hr/>	
	22,176	18,535
	<hr/>	
Total Liabilities and Net Assets	\$ 31,738	\$ 20,370
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See notes to financial statements

University of Leadership and Ministry

Statement of Activities

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:			
Tuition and fees—net	\$ 165,577	\$ -	\$ 165,577
Contributions	180,086	184	180,270
Other income	820		820
Assets released from restriction	184	(184)	-
Total Revenues	<u>346,667</u>	<u>-</u>	<u>346,667</u>
EXPENSES:			
Program services	126,068	-	126,068
Management & general	216,958	-	216,958
Fundraising	-	-	-
Total expenses	<u>343,026</u>	<u>-</u>	<u>343,026</u>
Change in net assets from operations	<u>3,641</u>	<u>-</u>	<u>3,641</u>
Net Assets, Beginning of Year	<u>18,535</u>		<u>18,535</u>
Net Assets, End of Year	<u>\$ 22,176</u>	<u>\$ -</u>	<u>\$ 22,176</u>

See notes to financial statements

University of Leadership and Ministry

Statement of Activities

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:			
Tuition and fees-net	\$ 69,813	\$ -	\$ 69,813
Contributions	225,718		225,718
Investment income	-		-
Other income	-		-
Total Revenues	<u>295,531</u>	<u>-</u>	<u>295,531</u>
EXPENSES:			
Program services	102,768	-	102,768
Management & general	192,838	-	192,838
Fundraising	-	-	-
Total expenses	<u>295,606</u>	<u>-</u>	<u>295,606</u>
Change in net assets from operations	<u>(75)</u>	<u>-</u>	<u>(75)</u>
Net Assets, Beginning of Year	<u>18,610</u>		<u>18,610</u>
Net Assets, End of Year	<u>\$ 18,535</u>	<u>\$ -</u>	<u>\$ 18,535</u>

See notes to financial statements

University of Leadership and Ministry

Statement of Functional Expenses

Year Ended December 31, 2020

	Institutional Support			Total
	Program Services	General and Administrative	Fundraising	
Salaries	\$ 55,131	\$ 153,811	\$ -	\$ 208,942
Benefits	2,909	5,207	-	\$ 8,116
Total salaries and benefits	58,040	159,018	-	217,058
Professional services	-	12,395	-	12,395
Advertising	1,237	-	-	1,237
Office expense	6,416	786	-	7,202
Information technology	27,841	3,410	-	31,251
Occupancy	1,053	20,132	-	21,185
Travel	911	17,425	-	18,336
Conferences	192	3,663	-	3,855
Interest	-	-	-	-
Depreciation	1,058	129	-	1,187
Insurance	717	-	-	717
Other expense	28,603	-	-	28,603
	\$ 126,068	\$ 216,958	\$ -	\$ 343,026

See notes to financial statements

University of Leadership and Ministry

Statement of Functional Expenses

Year Ended December 31, 2020

	Institutional Support			Total
	Program Services	General and Administrative	Fundraising	
Salaries	\$ 50,124	\$ 139,839	\$ -	#REF!
Benefits	3,044	5,449	-	\$ 8,492
Total salaries and benefits	53,168	145,288	-	198,456
Professional services	-	15,495	-	15,495
Advertising	225	-	-	225
Office expense	2,839	348	-	3,187
Information technology	36,523	4,473	-	40,996
Occupancy	912	17,445	-	18,357
Travel	392	7,501	-	7,893
Conferences	114	2,175	-	2,289
Interest	-	-	-	-
Depreciation	929	113	-	1,042
Insurance	717	-	-	717
Other expense	6,950	-	-	6,950
	\$ 102,768	\$ 192,838	\$ -	\$ 295,606

See notes to financial statements

University of Leadership and Ministry

Statements of Cash Flows

	Year Ended	
	December 31, 2021	December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,641	\$ (75)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,187	1,042
Changes in operating assets and liabilities:		
Accounts receivable	15,065	(4,663)
Accounts payable	7,727	107
Net Cash Used by Operating Activities	<u>27,620</u>	<u>(3,589)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(1,446)</u>	-
Net Cash Provided (Used) by Investing Activities	<u>(1,446)</u>	-
Change in Cash and Cash Equivalents	26,174	(3,589)
Cash and Cash Equivalents, Beginning of Year	<u>3,800</u>	<u>7,389</u>
Cash and Cash Equivalents, End of Year	<u>\$ 29,974</u>	<u>\$ 3,800</u>

See notes to financial statements

University of Leadership and Ministry

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 1: NATURE OF THE BUSINESS

University of Leadership and Ministry (UNILIMI), founded in 2016, is a non-profit organization identified among the Hispanic/ Latino Christian community with its main campus located in Garner, North Carolina. UNILIMI is a post-secondary educational institution authorized to offer degree programs as authorized by the state of North Carolina. UNILIMI prepares students academically, theologically, and biblically while offering A.S. degrees, B.A. degrees and certificate programs for those seeking effective training for ministry, theological studies, Christian family counseling, Christian leadership and communications, and Christian education and apologetics.

UNILIMI generates its operating revenue primarily from student's tuition/contributions and generous donations given to our institution. We have students from different states and countries attending UNILIMI within the median age of 26-45 years of age. UNILIMI is currently seeking certification with AETH and full accreditation with ABHE.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

METHOD OF ACCOUNTING

UNILIMI's accounts are maintained on the accrual basis of accounting.

CASH AND CASH EQUIVALENTS

Cash on hand varies from month to month depending on how many students register in every course period, in addition to the weekly and occasional donations we receive.

ACCOUNTS RECEIVABLE AND DEFERRED TUITION

UNILIMI students must pay the course(s) taken before the last day of class. Accounts receivable records the students' balance in the students' Populi account where the due date is reflected. If the student has difficulty paying the amount owed, then he/ she will agree to a deferred tuition payment plan to pay off the balance owed.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

On a periodic basis, UNILIMI evaluates its accounts receivable and establishes the amount of its allowance for doubtful accounts based on a history of unpaid student balances. Student receivables are written off as a charge against the allowance after students cease enrollment.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost, less accumulated depreciation. Contributed items are recorded at fair market value at date of donation. If donors stipulate how the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions are recorded as unrestricted. Depreciation of property and equipment is computed using the straight-line method over the estimated useful asset lives from 5-40 years.

University of Leadership and Ministry

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

CONTRIBUTED SERVICES AND MATERIALS

UNILIMI recognizes contributed services and materials at their estimated fair value. Recognition occurs if the services have value to UNILIMI, are provided by individuals possessing specialized skills, and would have been purchased if not provided by contributions. During the year ended December 31, 2021 and 2020 no donated services met the criteria for recognition.

ADVERTISING COSTS

Advertising/ promotion costs, except for costs associated with direct-response advertising, are charged to operations when incurred. UNILIMI has no direct costs on December 31, 2021 and 2020. Advertising expense year ended December 31, 2021 and 2020 was \$225 and \$254, respectively.

INCOME TAXES

UNILIMI is a nonprofit organization that is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). However, income from certain activities not related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income generated in the current year. Therefore, no provision for federal income taxes has been made in the accompanying financial statements.

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 at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

UNILIMI has financial assets at the statement of financial position date as follows:

	2021	2020
Cash and cash equivalents	\$ 29,974	\$ 3,800
Student accounts receivable - net general expenditures over the next twelve months	95	15,160
	<u>\$ 30,069</u>	<u>\$ 18,960</u>

University of Leadership and Ministry

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are of December 31, 2021 and 2020 are as follows:

	2021	2020
Furniture and equipment	6,656	5,210
Less accumulated depreciation	(4,987)	(3,800)
	<u>\$ 1,669</u>	<u>\$ 1,410</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$1,042 and \$1,025.

NOTE 5 – FUNCTIONAL EXPENSES

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on periodic time/expense studies and/or square footage.

Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of UNILIMI.

NOTE 6 - RELATED PARTY TRANSACTIONS

UNILIMI is affiliated with the church, Iglesia Aliento de Vida, Inc., located in Queens, NY. The Church made cash contributions in the amounts of \$158,250 and \$230,800 and donated facilities in the amounts of \$10,500 and \$14,185 for the years ended December 31, 2021 and 2020.

NOTE 7 – TUITION AND FEES

Tuition and fees are considered earned by the College evenly throughout each semester. The amounts are shown net of scholarships and discounts in the Statement of Activities. For the years ended June 30, 2021 and 2020 Tuition and fees were as follows:

	2021	2020
Tuition	\$ 166,733	\$ 69,813
Fees	30,381	-
less: Scholarships and discounts	(31,537)	-
Tuition and fees - net	<u>165,577</u>	<u>69,813</u>

University of Leadership and Ministry

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 8 – IRS DETERMINATION

UNILIMI was inadvertently assigned two separate employer identification numbers (EIN) by the Internal Revenue Service. Exempt status was granted to UNILIMI on an IRS determination letter dated December 18, 2018. The determination was granted under the redundant EIN. The university has historically filed Form 990-series returns under the correct EIN. UNILIMI has advisors corresponding with the IRS to remedy this issue. With the COVID-19 pandemic, correspondence with the IRS has been slowed. Management is confident that the issue will be resolved in their favor.

NOTE 9 - SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple daycare centers. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Company expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

The date to which events occurring after December 31, 2021 and 2020 possible adjustment to the financial statements or disclosure is April 27, 2022, the date the financial statements were available to be issued.