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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Presidential Prayer Team:

We have audited the accompanying financial statements of The Presidential Prayer Team (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Presidential Prayer Team as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



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Roy L. Alexander CPA, P.C.  
Tucson, Arizona  
February 12, 2021

**THE PRESIDENTIAL PRAYER TEAM  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020 AND 2019**

<b>ASSETS</b>		
	<u><b>2020</b></u>	<u><b>2019</b></u>
<b>Current Assets</b>		
Cash and equivalents	\$ 400,880	\$ 418,276
<b>Total Current Assets</b>	400,880	418,276
Property and Equipment, Net	<u>899,711</u>	<u>934,285</u>
<b>Total Assets</b>	<u><u>\$ 1,300,592</u></u>	<u><u>\$ 1,352,561</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 56,670	\$ 40,488
<b>Total Current Liabilities</b>	56,670	40,488
Long-term debt	<u>159,300</u>	<u>-</u>
<b>Net Assets</b>		
Without donor restrictions	<u>1,084,622</u>	<u>1,312,073</u>
<b>Total Net Assets</b>	<u>1,084,622</u>	<u>1,312,073</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,300,592</u></u>	<u><u>\$ 1,352,561</u></u>

The accompanying notes are an integral part of these financial statements.

**THE PRESIDENTIAL PRAYER TEAM  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenues:</b>			
Contributions and donations	\$ 1,133,012	\$ -	\$ 1,133,012
Restrictions satisfied by payments	-	-	-
Total Support and Revenues	1,133,012	-	1,133,012
<b>Expenses:</b>			
Program Services:			
Mobilize People to Pray	888,276	-	888,276
Support Services:			
General and administrative	318,965	-	318,965
Fundraising	153,222	-	153,222
Total Support Services	472,187	-	472,187
<b>Total Expenses</b>	1,360,463	-	1,360,463
<b>Change in Net Assets</b>	(227,451)	-	(227,451)
<b>Net Assets - Beginning of Year</b>	1,312,073	-	1,312,073
<b>Net Assets - End of Year</b>	\$ 1,084,622	\$ -	\$ 1,084,622

The accompanying notes are an integral part of these financial statements.

**THE PRESIDENTIAL PRAYER TEAM  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenues:</b>			
Contributions and donations	\$ 1,195,451	\$ -	\$ 1,195,451
Restrictions satisfied by payments	-	-	-
Total Support and Revenues	1,195,451	-	1,195,451
<b>Expenses:</b>			
Program Services:			
Mobilize People to Pray	809,223	-	809,223
Support Services:			
General and administrative	348,053	-	348,053
Fundraising	72,182	-	72,182
Total Support Services	420,234	-	420,234
<b>Total Expenses</b>	<b>1,229,457</b>	<b>-</b>	<b>1,229,457</b>
<b>Change in Net Assets</b>	(34,006)	-	(34,006)
<b>Net Assets - Beginning of Year</b>	<b>1,346,080</b>	<b>-</b>	<b>1,346,080</b>
<b>Net Assets - End of Year</b>	<b>\$ 1,312,073</b>	<b>\$ -</b>	<b>\$ 1,312,073</b>

The accompanying notes are an integral part of these financial statements.

**THE PRESIDENTIAL PRAYER TEAM**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (227,451)	\$ (34,006)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	37,603	37,652
Amortization	-	4,686
Accounts payable	<u>16,182</u>	<u>636</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(173,666)</u>	<u>8,968</u>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of property and equipment	<u>(3,030)</u>	<u>(2,576)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(3,030)</u>	<u>(2,576)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Borrowings	<u>159,300</u>	<u>-</u>
<b>Net Cash Provided by Financing Activities</b>	<u>159,300</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Equivalents</b>	(17,396)	6,392
<b>Cash and Equivalents - Beginning of Year</b>	<u>418,276</u>	<u>411,885</u>
<b>Cash and Equivalents - End of Year</b>	<u>\$ 400,880</u>	<u>\$ 418,276</u>

The accompanying notes are an integral part of these financial statements.

**THE PRESIDENTIAL PRAYER TEAM  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Mobilize people</u>	<u>General</u>		
	<u>to pray</u>	<u>administration</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 608,966	\$ 124,728	\$ -	\$ 733,694
Payroll expenses	<u>87,564</u>	<u>17,935</u>	<u>-</u>	<u>105,498</u>
	696,529	142,663	-	839,192
Bank charges	-	20,139	-	20,139
Building	-	25,023	-	25,023
Contract labor	49,728	-	-	49,728
Development	-	-	121,492	121,492
Legal	-	6,644	-	6,644
Mail processing	28,680	-	-	28,680
Office	31,731	63,461	31,731	126,923
Other	-	55,956	-	55,956
Rent	-	5,077	-	5,077
Services	<u>81,608</u>	<u>-</u>	<u>-</u>	<u>81,608</u>
<b>Total</b>	<u>\$ 888,276</u>	<u>\$ 318,965</u>	<u>\$ 153,222</u>	<u>\$ 1,360,463</u>

The accompanying notes are an integral part of these financial statements.

**THE PRESIDENTIAL PRAYER TEAM  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Mobilize people</u>	<u>General</u>		
	<u>to pray</u>	<u>administration</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 587,674	\$ 120,367	\$ -	\$ 708,041
Payroll expenses	<u>79,649</u>	<u>16,314</u>	<u>-</u>	<u>95,963</u>
	667,323	136,681	-	804,004
Bank charges	-	13,291	-	13,291
Building	-	40,120	-	40,120
Contract labor	45,562	-	-	45,562
Development	-	-	39,276	39,276
Interest	-	5,731	-	5,731
Mail processing	21,381	-	-	21,381
Office	32,906	65,811	32,906	131,623
Other	-	75,019	-	75,019
Rent	-	11,400	-	11,400
Services	<u>42,051</u>	<u>-</u>	<u>-</u>	<u>42,051</u>
<b>Total</b>	<u>\$ 809,223</u>	<u>\$ 348,053</u>	<u>\$ 72,182</u>	<u>\$ 1,229,457</u>

The accompanying notes are an integral part of these financial statements.



**THE PRESIDENTIAL PRAYER TEAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

The Presidential Prayer Team (“Organization”) is an Arizona not-for-profit corporation committed to recognizing the spiritual heritage of prayer in our nation. Believing we are called to be “One Nation Under God”, the goal of the Organization is to mobilize millions of Americans to pray daily for our President, our leaders, our nation and our Armed Forces.

**Basis of Accounting**

The financial statements of the Organization have been prepared using the accrual basis of accounting. The more significant of the Organization’s accounting policies are described below.

**Cash and Cash Equivalents**

For purposes of the balance sheets and statements of cash flows, the Organization considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At December 31, 2020 and 2019, management believes that the carrying amount of cash equivalents approximates fair value because of the short maturity of these financial instruments.

**Cash Restricted to Purchase Property and Equipment**

Cash may be restricted to purchase property and equipment and accordingly would not be available for operating purposes. At December 31, 2020 and 2019, there was no balance of cash restricted to purchase property and equipment.

**Property, Equipment and Improvements**

Property, equipment and improvements are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, which range from three to thirty-nine years. Leasehold improvements are amortized over the lesser of the term of the lease or the estimated useful life of the improvements. The Organization capitalizes property and equipment over \$1,000. Normal repairs and maintenance are expensed as incurred, whereas significant improvements, which materially increase values or extend useful lives are capitalized and depreciated over the remaining estimated useful lives of the related assets.

Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations.

**THE PRESIDENTIAL PRAYER TEAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Net Assets**

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

Net Assets Without Restriction – Resources over which the board of directors has discretionary control.

Net Assets With Restriction – Those resources subject to donor imposed restrictions which may be satisfied by actions of the Organization or passage of time.

**Contributions**

Contributions received are recorded as either net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions.

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

**Management's Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

**Functional Allocation of Expenses**

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program supporting service, are allocated based on the best estimate of management.