



New Life Evangelistic Center 2007 Independent Financial Audit

Audited Financial Statements for the Year Ended December 31, 2007*

"In our opinion, the financial statements referred to [below] present fairly, in all material respects, the financial position of New Life Evangelistic Center, Inc. as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles."

*Audit: [Fick, Eggemeyer & Williamson](#),
Certified Public Accountants, PC, April 29, 2008

<u>2007 ASSETS, NLEC:</u>	<u>TOTAL</u>
CASH	\$ 479,299
ACCOUNTS RECEIVABLE	92,068
PROPERTY & EQUIPMENT	13,089,916
LESS: ACCUMULATED DEPRECIATION (decreased property/equipment value over time)	(8,492,306)
DUE FROM OTHER FUNDS	141,682
PREPAID INSURANCE	27,314
NOTES RECEIVABLE	9,000
INVENTORY	<u>1,860</u>
<u>TOTAL ASSETS</u>	<u>\$ 5,348,833</u>

LIABILITIES & FUND BALANCES:

ACCOUNTS PAYABLE	\$ 100,101
PAYROLL & PAYROLL TAXES PAYABLE	22,801
DUE TO OTHER FUNDS	<u>141,682</u>
TOTAL LIABILITIES	<u>264,584</u>

FUND BALANCES:

UNRESTRICTED	4,877,513
TEMPORARILY RESTRICTED	206,736
PERMANENTLY RESTRICTED	<u>-</u>
TOTAL FUND BALANCES	<u>5,084,249</u>
TOTAL LIABILITIES & FUND BALANCES	<u><u>\$ 5,348,833</u></u>

2007 EXPENSES, NLEC:

Note: Funds for Homeless Ministry in **RED**
Funds for Media Ministry in **BLUE**

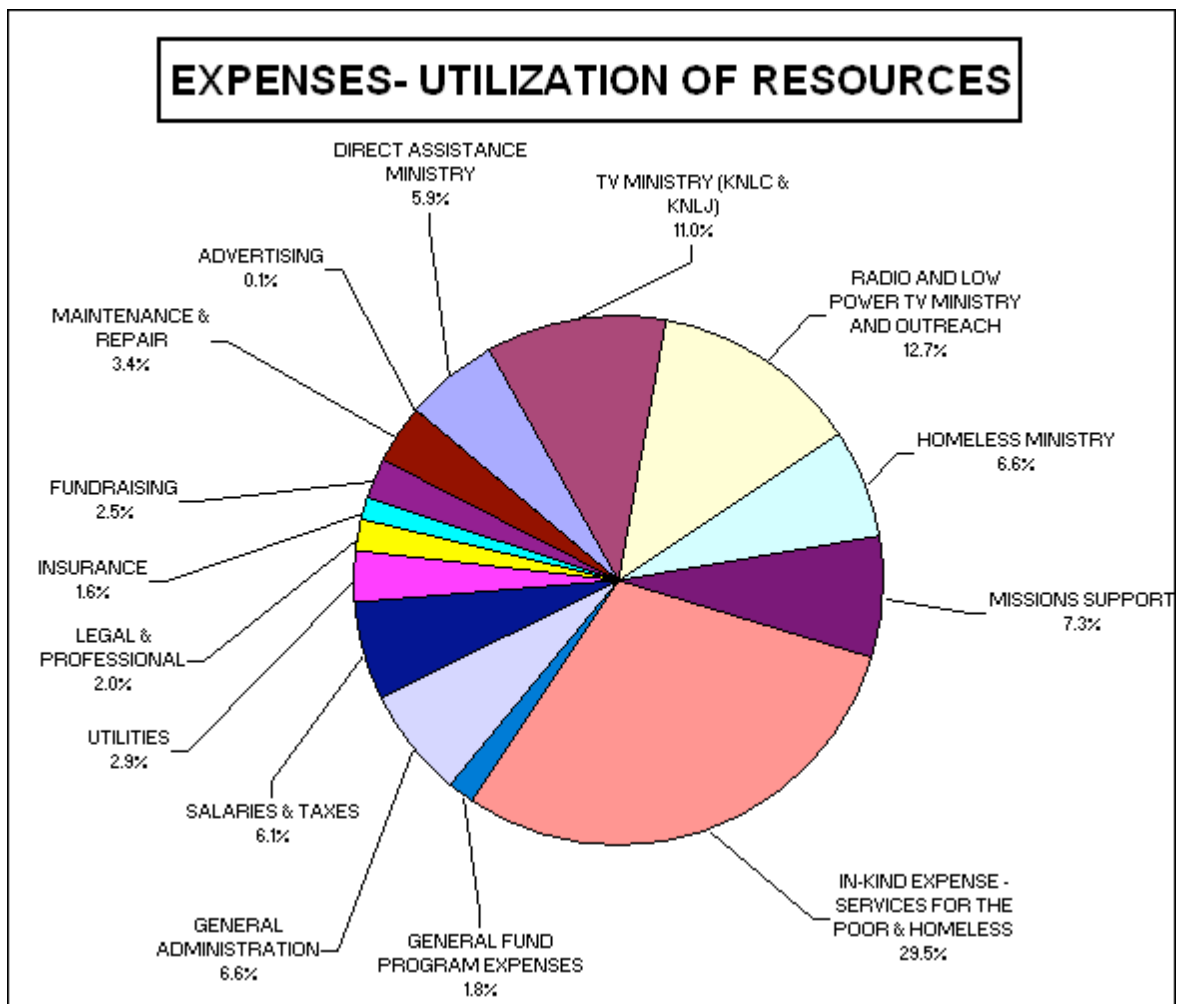
PROGRAM AND SERVICES:

DIRECT ASSISTANCE MINISTRY	274,255	5.9%
TV MINISTRY (KNLC & KNLJ)	510,420	11.0%
RADIO AND LOW POWER TV MINISTRY AND OUTREACH	584,989	12.7%
NEEDY & HOMELESS MINISTRY	306,296	6.6%
MISSIONS SUPPORT	338,583	7.3%
IN-KIND EXPENSE – SERVICES FOR THE POOR & HOMELESS	1,361,816	29.5%
GENERAL FUND PROGRAM EXPENSES [Both Homeless Ministry and Media Ministry]	<u>80,886</u>	<u>1.8%</u>
TOTAL PROGRAM EXPENSES	<u>3,457,245</u>	<u>74.8%</u>

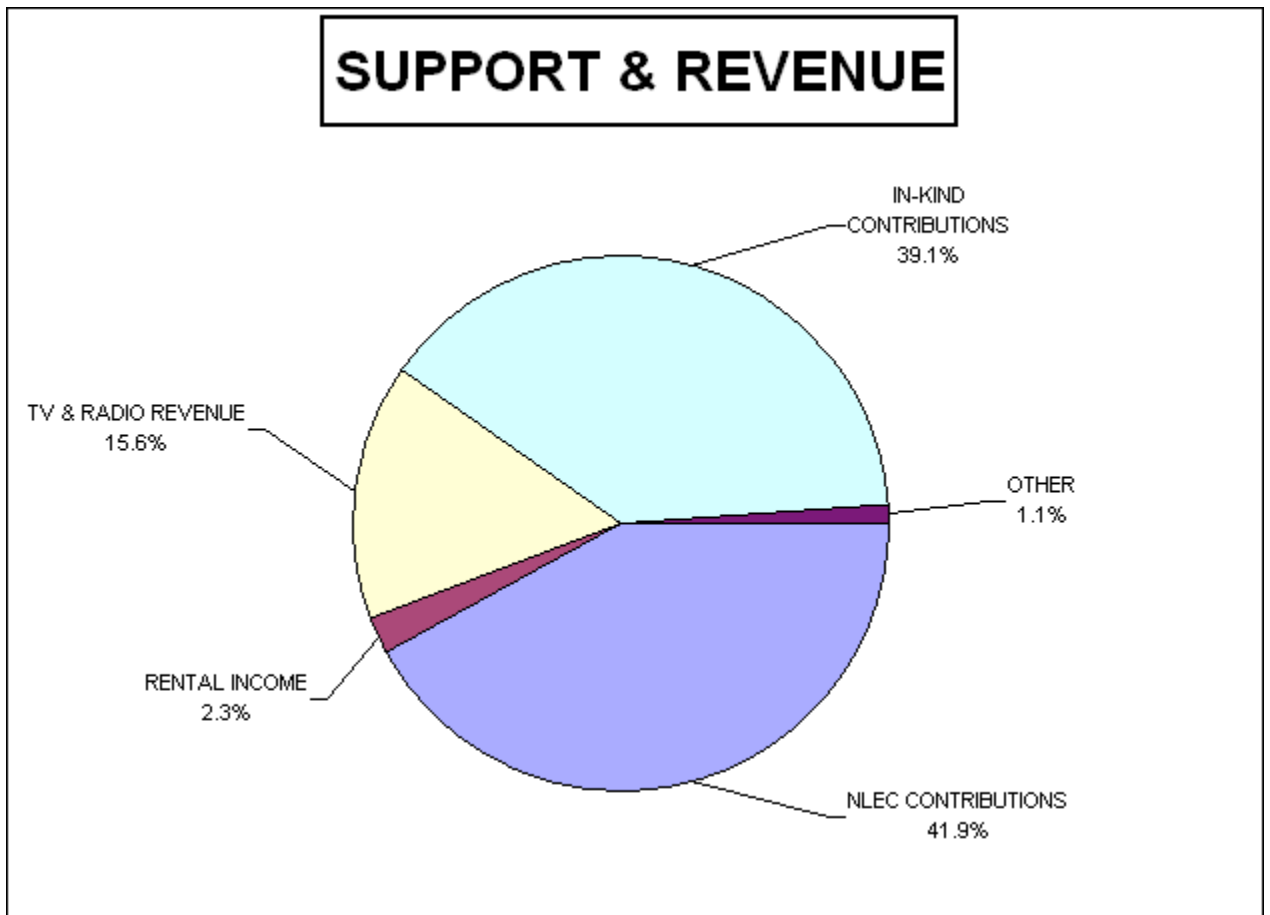
SUPPORT SERVICES:

GENERAL ADMINISTRATION		6.6%
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	305,381	
SALARIES & TAXES	283,348	6.1%
UTILITIES [Homeless Shelters and TV/Radio Stations]	134,981	2.9%
LEGAL & PROFESSIONAL	90,788	2.0%
INSURANCE	73,015	1.6%
FUNDRAISING	115,374	2.5%
MAINTENANCE & REPAIR [Homeless Shelters and TV/Radio Stations]	155,298	3.4%
ADVERTISING	5,458	0.1%
TOTAL SUPPORT EXPENSES:	<u>1,163,643</u>	<u>25.2%</u>
TOTAL EXPENSES	<u><u>4,620,888</u></u>	<u><u>100.0%</u></u>



2007 REVENUE (INCOME), NLEC:		%
NLEC CONTRIBUTIONS	1,544,460	41.9%
RENTAL INCOME	83,636	2.3%
TV & RADIO REVENUE	575,415	15.6%
IN-KIND CONTRIBUTIONS	1,441,432	39.1%
OTHER	42,128	1.1%
TOTAL REVENUE	<u>3,687,071</u>	<u>100.0%</u>





NLEC Finances: Frequently Asked Questions

QUESTION:

Is Rev. Larry Rice “rich”?

ANSWER:

Not by a long shot. As affirmed by official audit, Rev. Rice’s 2007 income as Executive Director of NLEC was \$8,810.00.

Rev. Larry Rice’s \$8,810.00 income in 2007 came in the form of a monthly stipend, drawn from New Life Evangelistic Center’s general fund.

The amount Larry Rice donated back to NLEC in 2007 was \$932.66.

Rev. Rice’s room, board, and transportation are also covered by NLEC. Rice, however, pays for his clothing, recreation, medical and dental expenses through his stipend.

Rice shares a three-bedroom home in Marshfield with his daughter, son-in-law, and two – soon to be three! – grandchildren. This parsonage (owned by NLEC, not Rice) was purchased in 2006 for just under \$117,000. Rev Rice lives in an apartment in the converted basement, but spends most nights sleeping at the 1411 Locust Street shelter in downtown Saint Louis.

QUESTION:

But doesn’t Larry Rice own a lot of property? Couldn’t he sell this and make a lot of money?

ANSWER:

No. Because New Life Evangelistic Center is a nonprofit 501(c)(3) charity organization, *Rev. Larry Rice owns no part of New Life Evangelistic Center, its properties, or its assets.* The radio and TV stations aren’t his; the shelters and free stores aren’t

his, etc. None of these properties can *ever* come under the ownership of Larry Rice or be passed on to NLEC family, friends, volunteers or staff. Even the car Rev. Rice drives isn't his, nor is the home he lives in. If these are ever sold, *the money goes directly back* to the NLEC ministry for the poor and homeless.

This legally binding statement is from the Constitution and By-Laws of New Life Evangelistic Center:

*This corporation is organized pursuant to the general Not-for-Profit Corporation Laws of the State of Missouri, and the property of this corporation is **irrevocably dedicated to religious and charitable purposes**, and upon liquidation, dissolution, or abandonment, **shall not inure to the benefit of any private person except that any assets of said non-profit corporation shall go directly to any full gospel church** which must also be a not-for-profit corporation as designated by the Board of Directors in their final meeting at the time of dissolution. This full gospel church must at the time qualify as an exempt organization under section 501(c)3 or the Internal Revenue Code of 1954.*

QUESTION:

What happened to the money earned from the sale of KNLJ, Channel 25 in New Bloomfield?

ANSWER:

In February of 2007, NLEC sold KNLJ, Channel 25 to the Christian Television Network (CTN) for the price of 3.25 million dollars. After loans were repaid for this property, the actual amount received by NLEC was \$2,568,760. The lion's share of this money went directly to repay outstanding loans from Cass Bank.

The remaining funds went directly to New Life's homeless ministry.

QUESTION:

I've heard that Larry Rice and/or NLEC has \$40-\$50 million in assets. Is this true?

ANSWER:

No. As reported in NLEC's 2007 independent audit, the ministry now has just under \$5.35 million in *total assets* as of December 31, 2007.

Part of the discrepancy in figures here owes to the fact that this initial \$40+ million estimate – made in a 2004 document in conjunction with NLEC attorneys – is largely outdated. This estimated sum reflected a more positive potential market value of NLEC media equipment and property; e.g., what all NLEC equipment and property could have potentially sold for in 2004. In hindsight, this estimate was likely too high to begin with, the falling market trends in the years since notwithstanding.

Moreover, since 2004 NLEC – like many nonprofit charities – has come upon difficult financial times and has had to respond to slackening sources of revenue. With this in mind, NLEC has since sold six free stores, five homeless shelters, one full analog television station, and 3 radio stations, with the funds from these sales going directly to the maintenance and upkeep of the remaining NLEC centers and its programs for the poor and homeless.

NLEC remains faithful, however, that *God will continue to provide* for the ministry and the marginalized population it serves, as He has for over 36 years. NLEC remains ever grateful to a mighty God, and to those He has led to join and support this ministry of hope.