

Gospel Renewal Ministries, Inc.
Financial Statements
August 31, 2020

Independent Auditor's Report

To the Elder Board
Gospel Renewal Ministries, Inc.
Matthews, North Carolina

We have audited the accompanying financial statements of Gospel Renewal Ministries Inc., (a nonprofit organization), which comprise the statement of financial position as of August 31, 2020, and the related statements of activities, functional expenses and cash flows for the twelve months 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 audit. We conducted our audit 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 of 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

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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 Gospel Renewal Ministries, Inc. as of August 31, 2020, and the results of its operations and its cash flows for the twelve months then ended in accordance with accounting principles generally accepted in the United States of America.

Prager Metis CPAs, PLLC

Prager Metis CPAs, PLLC
Charlotte, North Carolina
April 22, 2021

Gospel Renewal Ministries
Statement of Financial Position
August 31, 2020

Assets

Current assets

Cash and cash equivalents	\$ 3,747,269
Other receivables	56,571
Prepaid expenses	97,783
Total current assets	<u>3,901,623</u>

Property and equipment

Land and improvements	1,770,728
Leasehold improvements	939,007
Building and improvements	12,190,319
Furniture and equipment	1,901,579
Website	106,459
	<u>16,908,092</u>
Accumulated depreciation and amortization	<u>(7,777,754)</u>
Property and equipment, net	<u>9,130,338</u>

Other assets

Certificates of deposit	182,367
Total other assets	<u>182,367</u>

Total assets

\$ 13,214,328

Liabilities and net assets

Liabilities

Current liabilities

Accounts payable	\$ 56,128
Credit cards payable	47,136
Other accrued expenses	325,518
Accrued payroll expenses	92,657
Refundable advance	598,834
Deferred revenue	1,925
Current portion of long-term debt	98,636
Total current liabilities	<u>1,220,834</u>

Long-term liabilities

Long-term debt, net of current portion	2,268,591
Deferred lease liability	23,633
Total long-term liabilities	<u>2,292,224</u>

Total liabilities

3,513,058

Net assets

Without donor restrictions	
Designated by the Board of Elders	303,093
Undesignated	8,945,632
With donor restrictions	452,545
Total net assets	<u>9,701,270</u>

Total liabilities and net assets

\$ 13,214,328

Gospel Renewal Ministries
Statement of Activities
For the 12 months ended August 31, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue			
Contributions	\$ 6,398,673	\$ 475,992	\$ 6,874,665
Tuition and fees	125,434	210,002	335,436
Other income	29,866	-	29,866
Rental income	206,636	-	206,636
Net assets released from restrictions	604,262	(604,262)	-
Total revenue	<u>7,364,871</u>	<u>81,732</u>	<u>7,446,603</u>
Expenses			
Program expenses:			
Outreach	413,330	-	413,330
Children's ministry	439,744	-	439,744
Campus life ministry	385,843	-	385,843
Student ministry	476,222	-	476,222
Community life ministry	443,394	-	443,394
Women's ministry	142,614	-	142,614
Worship ministry	569,754	-	569,754
Senior Leadership	1,161,826	-	1,161,826
Restricted fund expenses	382,117	-	382,117
TOT Time restricted fund expenses	87,246	-	87,246
TOT Time ministry	2,757	-	2,757
Total program expenses	<u>4,504,847</u>	<u>-</u>	<u>4,504,847</u>
Supporting service expenses:			
General and administrative	654,229	-	654,229
Office and other	336	-	336
Facilities	1,404,638	-	1,404,638
Information technology	192,482	-	192,482
Communications	258,847	-	258,847
Total supporting service expenses:	<u>2,510,532</u>	<u>-</u>	<u>2,510,532</u>
Total expenses	<u>7,015,379</u>	<u>-</u>	<u>7,015,379</u>
Change in net assets	349,492	81,732	431,224
Net assets at beginning of period	<u>8,899,233</u>	<u>370,813</u>	<u>9,270,046</u>
Net assets at end of period	<u>\$ 9,248,725</u>	<u>\$ 452,545</u>	<u>\$ 9,701,270</u>