



INDEPENDENT AUDITORS' REPORT

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, 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.

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.

Auditors' 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 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 auditors' 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.

Elder Board
Gospel Renewal Ministries, Inc.

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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding Changes in Accounting Principles

As discussed in Note 1 to the financial statements, the Church adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to that matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Charlotte, North Carolina
May 2, 2022

**GOSPEL RENEWAL MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2021**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 4,247,873
Other Receivables	24,500
Undeposited Funds	87,242
Total Current Assets	4,359,615

PROPERTY AND EQUIPMENT

Land and Improvements	1,812,879
Leasehold Improvements	25,275
Building and Improvements	13,122,395
Furniture and Equipment	2,130,587
Website	128,199
Total Property and Equipment	17,219,335
Accumulated Depreciation and Amortization	(8,399,518)
Property and Equipment, Net	8,819,817

OTHER ASSETS

Certificates of Deposit	115,974
Total Other Assets	115,974

Total Assets	\$ 13,295,406
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 145,560
Credit Cards Payable	70,928
Other Accrued Expenses	185,865
Accrued Payroll Expenses	86,090
Deferred Revenue	6,455
Note Payable	2,269,889
Total Current Liabilities	2,764,787

Long-Term Liabilities:

Deferred Lease Liability	6,261
Total Liabilities	2,771,048

NET ASSETS

Without Donor Restrictions:

Designated by the Board of Elders	136,634
Undesignated	9,934,447
With Donor Restrictions	453,277
Total Net Assets	10,524,358

Total Liabilities and Net Assets	\$ 13,295,406
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See accompanying Notes to Financial Statements.

GOSPEL RENEWAL MINISTRIES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

	Net Assets		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE			
Contributions	5,923,281	\$ 247,822	\$ 6,171,103
Paycheck Protection Program Revenue	598,834	-	598,834
Tuition and Fees	267,091	-	267,091
Other Income	6,571	-	6,571
Rental Income	206,636	-	206,636
Net Assets Released from Restrictions	247,090	(247,090)	-
Total Revenue	<u>7,249,503</u>	<u>732</u>	<u>7,250,235</u>
EXPENSES			
Program Expenses:			
NextGen Kids	456,661	-	456,661
NextGen Students	575,620	-	575,620
Serve Ministry	407,483	-	407,483
Production	174,935	-	174,935
Worship Ministry	602,016	-	602,016
Community Life	375,207	-	375,207
Women's Retreat	1,578	-	1,578
Senior Leadership	1,320,400	-	1,320,400
Leadership Development	103,128	-	103,128
TOT Time Ministry	262,113	-	262,113
Total Program Expenses	<u>4,279,141</u>	<u>-</u>	<u>4,279,141</u>
Supporting Services Expenses:			
General and Administrative	1,091,312	-	1,091,312
Facilities	512,612	-	512,612
Information Technology	254,283	-	254,283
Communications	289,799	-	289,799
Total Supporting Services Expenses	<u>2,148,006</u>	<u>-</u>	<u>2,148,006</u>
Total Expenses	<u>6,427,147</u>	<u>-</u>	<u>6,427,147</u>
CHANGE IN NET ASSETS	822,356	732	823,088
Net Assets - Beginning of Year	<u>9,248,725</u>	<u>452,545</u>	<u>9,701,270</u>
NET ASSETS - END OF YEAR	<u>\$ 10,071,081</u>	<u>\$ 453,277</u>	<u>\$ 10,524,358</u>

See accompanying Notes to Financial Statements.

GOSPEL RENEWAL MINISTRIES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 823,088
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation and Amortization	621,764
(Increase) Decrease in:	
Other Receivables	32,071
Undeposited Funds	(87,242)
Prepaid Expenses	97,783
Increase (Decrease) in:	
Accounts Payable	89,432
Credit Cards Payable	23,792
Other Accrued Expenses	(139,653)
Accrued Payroll Expenses	(6,567)
Deferred Revenue	4,530
Refundable Advance	(598,834)
Deferred Lease Liability	(17,372)
Net Cash Provided by Operating Activities	842,792

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease in Certificates of Deposit	66,393
Purchases of Property and Equipment	(311,243)
Net Cash Used by Investing Activities	(244,850)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payments on Long-Term Debt	(97,338)
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NET INCREASE IN CASH AND CASH EQUIVALENTS

500,604

Cash and Cash Equivalents - Beginning of Year

3,747,269

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 4,247,873

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest Paid During the Year	\$ 100,344
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See accompanying Notes to Financial Statements.