

GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.



INDEPENDENT ACCOUNTANT'S FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 – COMPILED



**GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of  
Genesis Ministries of Rockingham County, Inc.  
Eden, North Carolina

Management is responsible for the accompanying financial statements of Genesis Ministries of Rockingham County, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, cash flows, functional expenses for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were We required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Dennison CPA, PC*

Saint Cloud, Minnesota  
February 15, 2024

# GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

Statement of Financial Position

As of December 31,

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	189,450	244,554
Cash and cash equivalents - Restricted	11,064	35,327
Prepaid expenses	6,513	5,578
Inventory	1,647	-
Property and equipment - net	74,401	15,851
<b><u>TOTAL ASSETS</u></b>	<b><u>283,076</u></b>	<b><u>301,310</u></b>
<b><u>LIABILITIES</u></b>		
Accounts payable & accrued expenses	3,240	4,913
Payroll Liabilities	7,891	4,090
<b><u>TOTAL LIABILITIES</u></b>	<b><u>11,131</u></b>	<b><u>9,003</u></b>
<b><u>NET ASSETS</u></b>		
Without donor restrictions		
Undesignated	186,479	241,129
Net investment in land, buildings and equipment net of related debt	74,401	15,851
Total net assets without donor restrictions	260,880	256,980
With donor restrictions	11,064	35,327
Total Net Assets	271,944	292,307
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>283,076</u></b>	<b><u>301,310</u></b>

# GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

Statement of Activities

For the Years Ended December 31,

	<u>2023</u>	<u>2022</u>
<b><u>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u></b>		
<b><u>SUPPORT AND REVENUE</u></b>		
Donations	217,275	295,536
Program Fees	30,715	25,605
In-Kind Revenue	23,191	14,333
Rental Income	1,400	1,150
Total Support and Revenue	<u>272,582</u>	<u>336,624</u>
Net assets released from donor restrictions		
Restrictions satisfied by payments/time	<u>49,263</u>	<u>6,688</u>
Total Support and Reclassifications	<u>321,845</u>	<u>343,312</u>
<b><u>FUNCTIONAL EXPENSES</u></b>		
Program	199,589	173,198
Management and General	94,853	61,357
Fundraising and Development	23,502	20,538
Total Expenses	<u>317,944</u>	<u>255,093</u>
Increase (decrease) in net assets without donor restrictions	<u>3,901</u>	<u>88,219</u>
<b><u>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</u></b>		
Restricted contributions	25,000	-
Net assets released from donor restriction	<u>(49,263)</u>	<u>(6,688)</u>
Increase (decrease) in net assets with donor restriction	<u>(24,263)</u>	<u>(6,688)</u>
Increase (decrease) in net assets	<u>(20,363)</u>	<u>81,531</u>
<b><u>Net Assets, Beginning Period</u></b>	<u>292,307</u>	<u>210,776</u>
<b><u>Net Assets, Ending Period</u></b>	<u>271,944</u>	<u>292,307</u>

# GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

## Statement of Cash Flows

For the Years Ended December 31,

<b><u>OPERATING ACTIVITIES</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Change in net assets	(20,363)	81,531
Adjustments to reconcile net assets to net cash provided by operating activities		
Depreciation	6,695	3,756
(Increase) decrease in operating assets:		
Prepaid expense	(935)	(5,578)
Inventory	(1,647)	-
Increase (decrease) in operating liabilities:		
Accounts payable & accrued expenses	(1,673)	2,938
Payroll liabilities	3,801	589
Net cash provided by operating activities	<u>(14,122)</u>	<u>83,236</u>
<b><u>INVESTING ACTIVITIES</u></b>		
Construction in progress	-	(6,371)
Leasehold improvements	(65,246)	-
Acquisition of furniture, fixtures & equipment	-	(3,407)
Net cash flows from investing activities	<u>(65,246)</u>	<u>(9,778)</u>
<b><u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>	<b><u>(79,367)</u></b>	<b><u>73,458</u></b>
<b><u>CASH AND CASH EQUIVALENTS - BEGINNING</u></b>	<b><u>279,882</u></b>	<b><u>206,424</u></b>
<b><u>CASH AND CASH EQUIVALENTS - ENDING</u></b>	<b><u>200,514</u></b>	<b><u>279,882</u></b>
<b><u>Supplemental Information - Non-Cash Donations:</u></b>		
In-Kind Donations	<u>23,191</u>	<u>14,333</u>

# GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

Statement of Functional Expenses

For the Year Ended December 31, 2023

	<b>Supporting Services</b>				<b>Total</b>
	Total Program Services	Management and General	Fundraising and Development	Total Supporting Activities	
Advertising	-	12,521	-	<b>12,521</b>	<b>12,521</b>
Bank fees	-	2,289	-	<b>2,289</b>	<b>2,289</b>
Depreciation/amortization	<b>6,026</b>	<b>670</b>	-	<b>670</b>	<b>6,695</b>
Donations	<b>28,254</b>	-	-	-	<b>28,254</b>
Events	<b>128</b>	-	7,810	<b>7,810</b>	<b>7,939</b>
Maintenance & repairs	<b>368</b>	7,975	-	<b>7,975</b>	<b>8,344</b>
Operations	<b>432</b>	15,635	-	<b>15,635</b>	<b>16,067</b>
Professional fees	-	2,750	-	<b>2,750</b>	<b>2,750</b>
Salaries & related benefits	<b>123,789</b>	<b>34,870</b>	<b>15,692</b>	<b>50,562</b>	<b>174,350</b>
Supplies	<b>24,391</b>	14,011	-	<b>14,011</b>	<b>38,402</b>
Travel & conferences	<b>1,628</b>	2,512	-	<b>2,512</b>	<b>4,140</b>
Utilities	<b>14,573</b>	<b>1,619</b>	-	<b>1,619</b>	<b>16,193</b>
<b>Total Expenses</b>	<b>199,589</b>	94,853	23,502	<b>118,355</b>	<b>317,944</b>

# GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

Statement of Functional Expenses

For the Year Ended December 31, 2022

	<b>Supporting Services</b>				Total
	Total Program Services	Management and General	Fundraising and Development	Total Supporting Activities	
Advertising	-	6,375	-	<b>6,375</b>	<b>6,375</b>
Bank fees	-	1,845	-	<b>1,845</b>	<b>1,845</b>
Depreciation/amortization	<b>3,380</b>	376	-	<b>376</b>	<b>3,756</b>
Donations	<b>18,001</b>	-	-	-	<b>18,001</b>
Events	<b>12</b>	-	7,413	<b>7,413</b>	<b>7,425</b>
Maintenance & repairs	<b>417</b>	4,713	-	<b>4,713</b>	<b>5,130</b>
Operations	<b>432</b>	8,087	-	<b>8,087</b>	<b>8,518</b>
Professional fees	-	3,342	-	<b>3,342</b>	<b>3,342</b>
Salaries & related benefits	<b>103,539</b>	29,166	13,125	<b>42,291</b>	<b>145,830</b>
Supplies	<b>28,277</b>	5,950	-	<b>5,950</b>	<b>34,227</b>
Travel & conferences	<b>5,611</b>	-	-	-	<b>5,611</b>
Utilities	<b>13,531</b>	1,503	-	<b>1,503</b>	<b>15,034</b>
<b>Total Expenses</b>	<b>173,198</b>	61,357	20,538	<b>81,895</b>	<b>255,093</b>



**NOTE 1 - NATURE OF ORGANIZATION:**

Genesis Ministries of Rockingham County, Inc. (Organization) was organized and incorporated in the State of North Carolina on March 5, 2015. The purpose of the Organization is to provide a new beginning for individuals who are bound by addictions. Through instructions, modeling, and a Christ-centered atmosphere, students will be set free to live healthy lives spiritually, physically, mentally, and emotionally.

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code (code). The Organization is classified as a publicly supported organization rather than a private foundation under Section 509(a) of the code. Contributions to the Organization are deductible for federal income tax purposes.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Basis of Reporting – Method of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) and include all activities carried on in the name of the Organization. Revenues and expenses are recognized in the period earned or incurred.

Net Assets

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board from time to time designates, from net assets without donor restrictions, net assets for an operating reserve and/or board-designated programs.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash & Cash Equivalents and Credit Risks

Organization cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions and has not experienced, nor does it anticipate, any losses with respect to such accounts.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Support, Revenue and Reclassifications

Contributions received are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net asset with donor restrictions is reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions that are met in the same reporting period are reported as unrestricted support.

Revenues are reported as income when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Grants received in advance but not earned are reported as deferred grant revenue on the statement of financial position.

Although the Organization does receive indications of intent to support dedicated funds including capital campaigns, those commitments are faith promises and subject to unilateral change by the donor. The commitments are not considered unconditional promises to give and are not reported prior to receipt of the contribution. Upon receipt, these funds are reported as donor-restricted capital campaign gifts.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The Organization incurred no joint costs for the years ended December 31, 2023 and 2022, respectively.

Reclassifications represent net assets released when expenses have been incurred in satisfaction of the donor restrictions.

Donated Services

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2023 and 2022, respectively.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

Advertising Costs

The Organization expenses advertising costs as they are incurred which totaled \$12,521 and \$6,375 for the years ended December 31, 2023 and 2022, respectively.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for property, furniture, fixtures, equipment, and leasehold improvements in excess of \$1,000. In accordance with GAAP, land is not depreciated, and Construction-in-Progress is depreciated when it is completed and placed into service. Maintenance, repairs, and minor renewal are expensed when incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment – net consist of the following:

	December 31,	
	2023	2022
Furniture & equipment	22,577	22,577
Construction in progress	-	6,371
Leasehold improvements	71,617	-
Less: Accumulated depreciation	(19,793)	(13,098)
Total Property & Equipment	74,401	15,851

Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which generally are as follows:

Building & improvements	10 – 39 years
Furniture and equipment	3 – 10 years
Vehicles	5 years
Leasehold improvements	life of lease or useful life (whichever is shorter)

Depreciation expense totaled \$6,695 and \$3,756 for the years ended December 31, 2023 and 2022, respectively.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

Income Taxes

The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

Uncertain Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based upon technical merits, that the position will be sustained upon examinations. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2023 and 2022, respectively, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Concentration of Support Risk

The Organization is primarily dependent upon contributions from its donors to meet expenses of operation and for the payment of principal and interest on debt, if any. Although management of the Organization expects contributions to be adequate, there can be no assurance that such contributions will be sufficient to meet the obligations. Also, there is no assurance that Organization donors will increase or remain stable, or that per capita contribution by donors will increase or remain stable. Support of the Organization comes primarily from donations concentrated in the Eden, North Carolina and surrounding geographical area.

Subsequent Events

Organization management has evaluated subsequent events through the report date, the date on which the financial statements were available to be issued, and found no events or transactions, which require modification to the financial statements. Subsequent events after that date have not been evaluated.

Fair Value of Financial Instruments

The Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

**NOTE 3 – LIQUIDITY AND AVAILABILITY:**

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing programs as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows, which identifies the sources and uses of the Organization's cash and shows cash generated by operations for fiscal years ending December 31, 2023 and 2022.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	12/31/2023	12/31/2022
Cash and cash equivalents	\$ 200,514	\$ 279,882
Prepaid expenses	6,513	5,578
Total financial assets	207,027	285,460
Contractual or donor-imposed restrictions:		
HomeTrust - Garden Grant	-	(848)
Cardinal Innovation Grant	-	(26,129)
Reserve for Men's Recovery Program	(8,350)	(8,350)
Thompson Philanthropy	(2,714)	-
Total contractual or donor-imposed restrictions:	(11,064)	(35,327)
Financial assets available to meet cash needs for general expenditures within one year	\$ 195,963	\$ 250,132

Restricted cash totaled \$11,064 and \$35,327 for the years ending December 31, 2023 and 2022, respectively.

**GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**NOTE 4 – FUNCTIONAL EXPENSES:**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy expenses such as rent, utilities, mortgage interest, depreciation, and amortization, which are allocated on a square footage basis. Other expenses such as salaries & wages, benefits, payroll taxes, and other are allocated on the basis of estimates of time and effort.

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions are restricted for the following purposes for the years ended December 31, 2023 and 2022:

		12/31/2023		
		Contributions and		
Subject to expenditure for specific purpose:	Beginning Balance	Other Income	Releases	Ending Balance
HomeTrust - Garden Grant	848	-	848	-
Cardinal Innovation Grant	26,129	-	26,129	-
Reserve for Men's Recovery Program	8,350	-	-	8,350
Thompson Philanthropy	-	25,000	22,286	2,714
Total	35,327	25,000	49,263	11,064

  

		12/31/2022		
		Contributions and		
Subject to expenditure for specific purpose:	Beginning Balance	Other Income	Releases	Ending Balance
HomeTrust - Garden Grant	1,165	-	317	848
Cardinal Innovation Grant	32,500	-	6,371	26,129
Reserve for Men's Recovery Program	8,350	-	-	8,350
Total	42,015	-	6,688	35,327

**NOTE 6 – CONTRIBUTED NONFINANCIAL ASSETS:**

The Organization received the following contributions of non-financial assets for the years ending December 31, 2023 and 2022:

	2023	2022
Food	8,554	5,000
Household Goods & Personal Care Items	2,069	1,760
Supplies & Other	848	2,823
Facility Upgrades	5,200	4,750
Specialty Services	6,520	-
Total Contributed Nonfinancial Assets	23,191	14,333

**NOTE 6 – CONTRIBUTED NONFINANCIAL ASSETS: (continued)**

The Organization receives significant in-kind contributions of items/goods, time, and pro bono services from members of the community and volunteers related to program operations, special events, and fundraising campaigns. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

Contributed food, supplies, and other services are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed food and supplies are used in program services and other services were utilized in leasehold improvements.

All donated services and assets were utilized by the Organization’s programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.