

GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.



FINANCIAL STATEMENTS
WITH INDEPENDENT ACCOUNTANT'S COMPILATION REPORT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 – COMPILED



DENNISON CPA
Church & Ministry Advisor

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, 2024 and 2023, 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
May 30, 2025

GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

Statement of Financial Position

As of December 31,

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and cash equivalents	194,714	189,450
Cash and cash equivalents - restricted	138,457	11,064
Prepaid expenses	9,319	6,513
Inventory	-	1,647
Property and equipment - net	333,465	74,401
<u>TOTAL ASSETS</u>	<u>675,955</u>	<u>283,076</u>
<u>LIABILITIES</u>		
Accounts payable & accrued expenses	-	3,240
Payroll Liabilities	3,981	7,891
<u>TOTAL LIABILITIES</u>	<u>3,981</u>	<u>11,131</u>
<u>NET ASSETS</u>		
Without donor restrictions		
Undesignated	533,517	260,880
With donor restrictions	138,457	11,064
Total Net Assets	671,974	271,944
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>675,955</u>	<u>283,076</u>

GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

Statement of Activities

For the Years Ended December 31,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT, REVENUE, AND GAINS</u>						
Donations	294,207	177,000	471,207	217,275	25,000	242,275
Program Fees	41,884	-	41,884	32,115	-	32,115
In-Kind Revenue	318,936	-	318,936	23,191	-	23,191
Net Assets Released from Restrictions	49,607	(49,607)	-	49,263	(49,263)	-
Total Revenue, Support, and Gains	704,634	127,393	832,027	321,845	(24,263)	297,582
<u>FUNCTIONAL EXPENSES</u>						
Program Services Expense						
Women's Programs	289,863	-	289,863	199,589	-	199,589
Total Program Services Expenses	289,863	-	289,863	199,589	-	199,589
Supporting Services Expense						
Management and General	117,020	-	117,020	94,853	-	94,853
Fundraising and Development	25,115	-	25,115	23,502	-	23,502
Total Supporting Services Expenses	142,135	-	142,135	118,355	-	118,355
Total Expenses	431,998	-	431,998	317,944	-	317,944
Change in Net Assets	272,636	127,393	400,029	3,901	(24,263)	(20,363)
Net Assets, Beginning of Year	260,880	11,064	271,944	256,980	35,327	292,307
Net Assets, End of Year	533,517	138,457	671,974	260,880	11,064	271,944

GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

Statement of Cash Flows

For the Years Ended December 31,

<u>OPERATING ACTIVITIES</u>	<u>2024</u>	<u>2023</u>
Change in net assets	400,029	(20,363)
Adjustments to reconcile net assets to net cash provided by operating activities		
Depreciation	14,146	6,695
(Increase) decrease in operating assets:		
Prepaid expense	(2,806)	(935)
Inventory	1,647	(1,647)
Increase (decrease) in operating liabilities:		
Accounts payable & accrued expenses	(3,240)	(1,673)
Payroll liabilities	(3,910)	3,801
Net cash provided by operating activities	<u>405,867</u>	<u>(14,122)</u>
<u>INVESTING ACTIVITIES</u>		
Leasehold improvements	-	(65,246)
Construction in progress	(23,428)	-
Donated real estate	(242,268)	-
Investment in building improvements	(4,147)	-
Acquisition of furniture, fixtures & equipment	(3,367)	-
Net cash flows from investing activities	<u>(273,210)</u>	<u>(65,246)</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>132,657</u>	<u>(79,367)</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING</u>	<u>200,514</u>	<u>279,882</u>
<u>CASH AND CASH EQUIVALENTS - ENDING</u>	<u>333,171</u>	<u>200,514</u>
<u>Supplemental Information - Non-Cash Donations:</u>		
In-Kind Donations	<u>318,936</u>	<u>23,191</u>

GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

Statement of Functional Expenses

For the Year Ended December 31, 2024

	Program		Supporting Services			
	Women's Programs	Total Program Services	Management and General	Fundraising and Development	Total Supporting Activities	Total
Advertising	-	-	7,021	-	7,021	7,021
Bank fees	-	-	3,812	-	3,812	3,812
Depreciation	12,530	12,530	1,616	-	1,616	14,146
Donations	20,364	20,364	661	-	661	21,025
Events	-	-	2,063	3,637	5,700	5,700
Maintenance & repairs	8,459	8,459	16,704	-	16,704	25,163
Operations	49,389	49,389	27,354	-	27,354	76,743
Professional fees	-	-	2,650	-	2,650	2,650
Salaries & related benefits	157,763	157,763	44,440	19,998	64,438	222,201
Supplies	21,633	21,633	8,405	-	8,405	30,039
Travel & conferences	2,104	2,104	20	1,480	1,500	3,604
Utilities	17,622	17,622	2,273	-	2,273	19,895
Total Expenses	289,863	289,863	117,020	25,115	142,135	431,998

GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.

(a not-for-profit corporation)

Statement of Functional Expenses

For the Year Ended December 31, 2023

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

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 has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that each entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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. We report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. We report conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released when received and released from restrictions when the assets are placed in service.

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

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.

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

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.

Revenue and Revenue Recognition

The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, and ASC Topic 958, *Not-for-Profit Entities*. The Organization's revenue streams primarily include contributions, and ancillary sales. Revenue is recognized when performance obligations are satisfied, and control of promised goods or services is transferred to the customer.

Contributions: Contributions received without donor restrictions are recognized as revenue when received or unconditionally promised. These revenues are considered nonexchange transactions and are accounted for under ASC 958-605. Contributions with donor-imposed restrictions are reported as restricted support and are reclassified to net assets without donor restrictions upon satisfaction of the restriction.

Program Revenue and Exchange Transactions: Revenue from exchange transactions is recognized when control of the promised goods or services is transferred to the customer or beneficiary in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. This includes program service fees, sales of materials, and event fees. The Organization identifies the contract, performance obligations, transaction price, and allocates the transaction price to the performance obligations, recognizing revenue when or as the performance obligations are satisfied.

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

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. We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

Property and equipment – net consist of the following:

	December 31,	
	2024	2023
Furniture & equipment	\$ 25,945	\$ 22,577
Construction in progress	23,428	-
Leasehold improvements	71,617	71,617
Building & improvements	208,285	-
Land & improvements	38,130	-
Less: Accumulated depreciation	(33,939)	(19,793)
Total Property & Equipment	<u>\$ 333,465</u>	<u>\$ 74,401</u>

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 \$14,146 and \$6,695 for the years ended December 31, 2024 and 2023, respectively.

Advertising Costs

The Organization expenses advertising costs as they are incurred which totaled \$7,021 and \$12,521 for the years ended December 31, 2024 and 2023, respectively.

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

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method, and market represents the lower of replacement cost or estimated net realizable value. Inventories consisted of household goods and totaled \$0 and \$1,647 as December 31, 2024 and 2023, respectively.

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, 2024 and 2023, 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.

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.

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.

NOTE 3 – FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocation methods include specific identification, employee time and effort, and usage-based metrics, as appropriate to the nature of the expense.

Expenses are categorized as follows:

- Program Services: Activities that result in goods and services being distributed to beneficiaries, customers, or members that fulfill the purposes or mission of the Organization.
- Management and General: Expenses that are not directly identifiable with any specific program or fundraising activity but are indispensable to the conduct of those activities and to the Organization's existence.
- Fundraising: Costs incurred to induce potential donors to contribute to the Organization.

Expenses that are allocated between two or more categories 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 expenses are allocated on the basis of estimates of time and effort.

NOTE 4 – 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, 2024 and 2023.

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:

	December 31,	
	2024	2023
Cash and cash equivalents	\$ 333,171	\$ 200,514
Prepaid expenses	9,319	6,513
Total financial assets	<u>342,490</u>	<u>207,027</u>
Contractual or donor-imposed restrictions:		
Men's Renovation Grant	(111,457)	-
Men's Development	(26,000)	-
Operations	(1,000)	-
Reserve for Men's Recovery Program	-	(8,350)
Thompson Philanthropy	-	(2,714)
Total contractual or donor-imposed restrictions:	<u>(138,457)</u>	<u>(11,064)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 204,032</u>	<u>\$ 195,963</u>

Restricted financial assets totaled \$138,457 and \$11,064 for the years ending December 31, 2024 and 2023, respectively.

GENESIS MINISTRIES OF ROCKINGHAM COUNTY, INC.
Notes to the Financial Statements
December 31, 2024 and 2023

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes for the years ended December 31, 2024 and 2023:

2024				
Contributions and				
Subject to expenditure for specific purpose:	Beginning Balance	Other Income	Releases	Ending Balance
Men's Renovation Grant	-	150,000	38,543	111,457
Men's Development	-	26,000	-	26,000
Operations	-	1,000	-	1,000
Reserve for Men's Recovery Program	8,350	-	8,350	-
Thompson Philanthropy	2,714	-	2,714	-
Total	11,064	177,000	49,607	138,457

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

NOTE 6 – CONTRIBUTED NONFINANCIAL ASSETS:

The Organization received the following contributions of nonfinancial assets for the years ending December 31, 2024 and 2023:

	2024	2023
Real Estate	\$ 242,268	\$ -
Professional Fees	41,463	6,520
Personal Care Items	15,350	10,166
Facility Maintenance	14,812	5,200
Household Goods	3,139	457
Gift Cards	1,590	100
Supplies	316	749
Total Contributed Nonfinancial Assets	<u>\$ 318,936</u>	<u>\$ 23,191</u>

NOTE 6 – CONTRIBUTED NONFINANCIAL ASSETS: (continued)

Contributed real estate, professional fees, supplies, and other items 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 real estate, professional fees, supplies, and other items are used in program services and contributed advertising is used for fundraising and development.

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.