

Central Wesleyan
of Holland



Years Ended
May 31,
2021 and 2020

Consolidated
Financial
Statements and
Supplementary
Information

Rehmann

CENTRAL WESLEYAN OF HOLLAND

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements for the Years Ended May 31, 2021 and 2020	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	8
Consolidated Notes to Financial Statements	9
Supplementary Information	
Independent Auditors' Report on Supplementary Information	25
Comparison of Actual and Budgeted Income and Expenses for the General Fund	26
Combining Schedule of Financial Position by Fund - May 31, 2021	28
Combining Schedule of Activities by Fund - For the Year Ended May 31, 2021	30
Combining Schedule of Financial Position by Fund - May 31, 2020	32
Combining Schedule of Activities by Fund - For the Year Ended May 31, 2020	34

INDEPENDENT AUDITORS' REPORT

August 19, 2021

Finance Committee
Central Wesleyan of Holland
Holland, Michigan

We have audited the accompanying consolidated financial statements of **Central Wesleyan of Holland**, (the "Church") (a Michigan not-for-profit organization), which comprise the consolidated statements of financial position as of May 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related consolidated notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on auditor judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Church's preparation and fair presentation of the consolidated 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 Church'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 consolidated financial statements.

Rehmann is an independent member of Nexia International.



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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ***Central Wesleyan of Holland***, as of May 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Rehmann Lohman LLC

CENTRAL WESLEYAN OF HOLLAND

Consolidated Statements of Financial Position

	May 31	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 224,639	\$ 530,109
Investments	2,128,684	2,232,230
Pledges receivable	668,059	634,898
Prepaid expenses and other assets	174,383	450,600
Total current assets	3,195,765	3,847,837
 Pledges receivable, net of current portion	-	586,901
Beneficial interest in charitable remainder annuity trust	11,000	9,000
Property and equipment, net	33,068,752	32,117,889
Total assets	<u>\$ 36,275,517</u>	<u>\$ 36,561,627</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 130,205	\$ 81,072
Accrued compensation	244,459	210,090
Notes payable, current portion	55,048	-
Total current liabilities	429,712	291,162
 Noncurrent liabilities:		
Notes payable, net of current portion	3,307,823	5,500,000
Total liabilities	<u>3,737,535</u>	<u>5,791,162</u>
Net assets		
Without donor restrictions	30,410,868	28,165,214
With donor restrictions	2,127,114	2,605,251
Total net assets	<u>32,537,982</u>	<u>30,770,465</u>
Total liabilities and net assets	<u>\$ 36,275,517</u>	<u>\$ 36,561,627</u>

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Statement of Activities

For the Year Ended May 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions	\$ 8,057,326	\$ 1,105,054	\$ 9,162,380
Paycheck Protection Program	94,700	-	94,700
Program fees	255,983	-	255,983
Net investment return	173,037	-	173,037
Excess of assets acquired over liabilities assumed in acquisition of Lifebridge Church (see Note 12)	1,155,533	-	1,155,533
Gain on sale of property and equipment	263,446	-	263,446
Change in fair value of time restricted beneficial interest in charitable remainder annuity trust	-	2,000	2,000
Total support and revenues	10,000,025	1,107,054	11,107,079
Net assets released from restrictions	1,585,191	(1,585,191)	-
Total support, revenues and net assets released from restrictions	11,585,216	(478,137)	11,107,079
Expenses			
Program services	6,262,674	-	6,262,674
Supporting services: Ministry support	3,076,888	-	3,076,888
Total expenses	9,339,562	-	9,339,562
Change in net assets	2,245,654	(478,137)	1,767,517
Net assets, beginning of year	28,165,214	2,605,251	30,770,465
Net assets, end of year	\$ 30,410,868	\$ 2,127,114	\$ 32,537,982

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Statement of Activities

For the Year Ended May 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions	\$ 6,975,057	\$ 3,242,125	\$ 10,217,182
Paycheck Protection Program	696,700	-	696,700
Program fees	266,511	-	266,511
Net investment return	89,471	-	89,471
Excess of assets acquired over liabilities assumed in acquisition of Captivate Church (see Note 12)	588,858	-	588,858
Gain on sale of property and equipment	1,000	-	1,000
Total support and revenues	8,617,597	3,242,125	11,859,722
Net assets released from restrictions	2,158,366	(2,158,366)	-
Total support, revenues and net assets released from restrictions	10,775,963	1,083,759	11,859,722
Expenses			
Program services	6,149,676	-	6,149,676
Supporting services:			
Ministry support	2,801,596	-	2,801,596
Fundraising	19,911	-	19,911
Total expenses	8,971,183	-	8,971,183
Change in net assets	1,804,780	1,083,759	2,888,539
Net assets, beginning of year	26,360,434	1,521,492	27,881,926
Net assets, end of year	\$ 28,165,214	\$ 2,605,251	\$ 30,770,465

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Statement of Functional Expenses

For the Year Ended May 31, 2021

	Program Services	Supporting Services		
	Church ministry	Ministry support	Fundraising	Total
Expenses				
Bank service fees and taxes	\$ 104,583	\$ 159,575	\$ -	\$ 264,158
Benevolence gifts	39,578	-	-	39,578
Church supplies	140,290	63,343	-	203,633
Depreciation	-	1,680,601	-	1,680,601
District membership	137,015	-	-	137,015
Insurance	-	55,372	-	55,372
Interest expense	-	134,652	-	134,652
Meals	72,507	6,640	-	79,147
Meetings and events	66,092	-	-	66,092
Ministry production	481,082	8,886	-	489,968
Minor capital improvements	-	208,653	-	208,653
Miscellaneous church	102,061	2,614	-	104,675
Missions and outreach support	536,351	-	-	536,351
Postage	5,352	302	-	5,654
Printing and copying	18,476	972	-	19,448
Professional fees	34,300	1,062	-	35,362
Rental	20,000	51,109	-	71,109
Repairs and maintenance	9,747	303,481	-	313,228
Salaries and benefits	4,273,074	118,477	-	4,391,551
Telephone	71,631	7,757	-	79,388
Trainings, curriculum and leadership development	104,415	-	-	104,415
Travel	39,550	4,768	-	44,318
Utilities	6,570	268,624	-	275,194
Total expenses	\$ 6,262,674	\$ 3,076,888	\$ -	\$ 9,339,562

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Statement of Functional Expenses

For the Year Ended May 31, 2020

	Program Services	Supporting Services		
	Church ministry	Ministry support	Fundraising	Total
Expenses				
Bank service fees and taxes	\$ 87,543	\$ 55,700	\$ -	\$ 143,243
Benevolence gifts	105,770	-	-	105,770
Church supplies	100,423	39,738	-	140,161
Depreciation	-	1,523,789	-	1,523,789
District membership	123,750	-	-	123,750
Insurance	-	53,209	-	53,209
Interest expense	-	170,771	-	170,771
Meals	47,928	46,969	-	94,897
Meetings and events	221,213	-	-	221,213
Ministry production	412,838	2,421	-	415,259
Minor capital improvements	-	251,824	-	251,824
Miscellaneous church	72,293	205	19,911	92,409
Missions and outreach support	651,970	-	-	651,970
Postage	5,902	3,723	-	9,625
Printing and copying	20,830	1,756	-	22,586
Professional fees	33,769	-	-	33,769
Rental	-	15,541	-	15,541
Repairs and maintenance	5,233	180,691	-	185,924
Salaries and benefits	3,932,997	203,007	-	4,136,004
Telephone	52,474	10,093	-	62,567
Trainings, curriculum and leadership development	195,655	-	-	195,655
Travel	79,088	3,057	-	82,145
Utilities	-	239,102	-	239,102
Total expenses	\$ 6,149,676	\$ 2,801,596	\$ 19,911	\$ 8,971,183

The accompanying notes are an integral part of these consolidated financial statements.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Statements of Cash Flows

	Year Ended May 31	
	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 1,767,517	\$ 2,888,539
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in value of beneficial interest in charitable remainder annuity trust	(2,000)	-
Depreciation	1,680,600	1,523,789
Reinvested income on investments	(13,705)	(24,740)
Realized gain on investments	(55,681)	(4,942)
Unrealized gain on investments	(54,813)	(31,034)
Gain on sale of property and equipment	(263,446)	(1,000)
Excess of assets acquired over liabilities assumed in acquisition of churches	(1,155,533)	(588,858)
Changes in present value of pledge receivable	(45,931)	45,931
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	276,217	(287,252)
Accounts payable and accrued expenses	49,133	(15,149)
Accrued compensation	34,369	43,294
Deferred revenue	-	(20,000)
Net cash provided by operating activities	2,216,727	3,528,578
Cash flows from investing activities		
Purchases and construction of property and equipment	(1,275,286)	(4,628,116)
Proceeds on sale of property and equipment	351,060	1,000
Cash obtained from church acquisition	404,100	600,891
Payments of payables as part of church acquisition	-	(12,033)
Purchases of investments	(2,646,835)	(1,232,636)
Proceeds from sales of investments	2,874,581	835,673
Net cash used in investing activities	(292,380)	(4,435,221)
Cash flows from financing activities		
Pledges received related to capital campaign	599,671	(1,266,746)
Proceeds from notes payable	-	3,950,000
Payments of notes payable	(2,829,488)	(1,450,000)
Net cash provided by (used in) financing activities	(2,229,817)	1,233,254
Net (decrease) increase in cash and cash equivalents	(305,470)	326,611
Cash and cash equivalents, beginning of year	530,109	203,498
Cash and cash equivalents, end of year	\$ 224,639	\$ 530,109

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying consolidated financial statements present the consolidated financial position, results of operations and cash flows of Central Wesleyan of Holland, a Michigan not-for-profit corporation, and its subsidiary (described below, collectively the "Church").

Central Wesleyan of Holland is a local body of believers and is part of the world-wide Wesleyan Church denomination. The Church averaged 5,221 and 5,473 individuals in morning worship attendance during the years ended May 31, 2021 and 2020, respectively. During both 2021 and 2020, approximately \$9.2 million and \$10.2 million, respectively, was received in contributions by the Church for it to carry on its mission of reaching Holland and beyond with the Gospel of Jesus Christ.

The Church employs a full-time equivalent staff of 49. In addition to paid staff positions, the ministries of the Church use volunteers in more than 1,500 ministry positions.

The primary ministries of the Church are public worship services, graded Christian education classes, after school programs for under-privileged children, missions in Holland and around the world, and a wide range of programs for special needs such as financial counseling and divorce recovery.

The Church has approximately 254,500 square feet of buildings set on 113 acres of land on the south side of Holland, Michigan. The Church is considered a regional church and has a wide influence beyond the City of Holland. Additionally, the Church has six satellite locations, the La Roca Church within the Holland location, The Local Church in the Grand Rapids, Michigan area, Overflow Church in the Benton Harbor, Michigan area, LifeBridge Church in the South Haven, Michigan area, The Well in the Columbia, Tennessee area, and Captivate Church in the San Diego, California area.

Water's Edge West (doing business as "Captivate Church") is a wholly-owned subsidiary of Central Wesleyan of Holland. The articles of incorporation for Water's Edge West identify this connection. The discipline of the Wesleyan Church makes provision for subsidiary corporations and that is the authority used to form this corporation. The consolidated financial statements of the Central Wesleyan of Holland include the results of operations of Captivate Church. All intercompany accounts have been eliminated.

The Church's revenues consist primarily of contributions from members.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

Risks and Economic Uncertainties

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. Many State Governors issued temporary Executive Orders that, among other stipulations, effectively prohibit in person work activities for most businesses and industries including nonprofit entities, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the Church's normal activities. The extent of the ultimate impact of the pandemic on the Church's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on funders, program recipients, employees, vendors, and other constituents, all of which cannot be reasonably predicted at this time. In addition, the current environment may place additional demands on the Church for providing immediate financial support and/or services to its program recipients. While management reasonably expects the COVID-19 outbreak to negatively impact the Church's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

In April 2020 the Church received \$696,700 in loans under the Paycheck Protection Program ("PPP") of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted into law on March 28, 2020. As of May 31, 2020, this loan had been spent on eligible expenses and was fully forgiven as of November 2, 2020. Accordingly, the Church recognized the full amount as federal grant revenue in fiscal 2020.

The Church received proceeds from borrowings in the amount of \$94,700 through the Second Draw Payroll Protection Program ("PPP2") on February 16, 2021, obtained through the CARES Act, as amended by Title III of the Consolidated Appropriations Act of 2021, which was enacted into law on December 27, 2020. The loan has a two year maturity and is subject to a 1% interest rate. There are certain provisions with the PPP2 which permit the Church to have this loan fully or partially forgiven based on specific stipulations within the agreement. As of May 31, 2021, all of the loan proceeds had been spent on eligible expenses and the loans are expected to be fully forgiven in accordance with the CARES Act. As such, the Church has recognized the full amount as federal grants revenue on the 2021 consolidated statement of activities.

The significant accounting policies of the Church are described below.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates. Significant estimates include, but are not limited to the useful lives of depreciable assets, value of assets acquired in acquisition, allowance of uncollectible pledges receivable, and the fair value of investments.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

Basis of Presentation

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.

Net Assets With Donor Restrictions – Net assets subject to donor-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 and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand, and money market accounts. The Church maintains demand deposits in banks that are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At times during 2021 and 2020, the Church's bank balance on these accounts may have exceeded the insured limit. Management believes the Church is not exposed to any significant interest rate or other risk on these deposits.

Investments

Investments held by the Church consist of mutual funds and money market funds. These investments are presented as current as management considers them to be part of normal cash management activities. Such investments are carried at fair value, based on quoted market prices. Investments received as donations are initially recorded at fair value on the date of receipt. Realized gains and losses on the sale of investments are determined based on the first-in, first-out method. Unrealized gains and losses are the result of changes in market value of investments and are included in investment income. Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in these consolidated financial statements.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (level 1) and the lowest priority to unobservable data, such as the reporting entity's own data (level 3).

For a further discussion of Fair Value Measurements, refer to Note 2. Additionally, see Note 12 for discussion of fair value assessments used in conjunction with the acquisition of the churches.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk adjusted interest rates applicable to the years in which the promises were made. Amortization of the discount is included in contribution revenues in the consolidated statements of activities. Pledges receivable is stated at the amount management expects to collect from outstanding pledges at year-end. Management's estimate of the allowance for uncollectible pledges is based on historical collections from prior pledge campaigns. Management has deemed no allowance necessary on pledge receivables as of May 31, 2021 and 2020.

Beneficial Interest in Charitable Remainder Annuity Trust

The Church is the sole beneficiary of a charitable gift annuity contract that was established between a donor and The Wesleyan Church Corporation. Accordingly, the Church has recognized contribution revenue and a receivable from The Wesleyan Church Corporation equal to the present value of the estimated future distribution expected to be received when the agreement expires, which occurs at the death of the donor. The discount rate used to calculate the present value of the annuity contract was 5.4%, with actuarial assumptions based on published life expectancy tables adopted by the Internal Revenue Service. The carrying value of the agreement is reported as a time restricted component of net assets with donor restrictions.

Property and Equipment and Depreciation

Property and equipment are stated at cost or, in the case of donations, estimated fair value. Property and equipment items are capitalized at cost when paid for all new assets over \$10,000 and \$50,000 for repair or renovations to an existing asset. Management annually reviews these assets for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 5 to 40 years.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

Contributions

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions are recognized as support in the period the unconditional promise to give is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend on have been met. Contributions of assets other than cash are recognized at their estimated fair value. There were no conditional promises to give at May 31, 2021 and 2020. When a restriction has been satisfied or expires, with donor restrictions net assets are reclassified to net assets without donor restrictions. Amounts not expected to be collected within one year are classified as long-term.

Functional Expenses

The cost of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expense present the natural classification detail of expenses by function. Expenses are generally charged to functional departments as incurred for the various activities except for payroll costs, which have been allocated based on functional utilization.

Income Taxes

The Church is a not-for-profit organization, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from similar state and local taxes. Accordingly, no provision has been made for income taxes in the accompanying consolidated financial statements. Although the Church was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income."

The Church analyzes its filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions to identify potential uncertain tax positions.

The Church has evaluated its income tax filing positions for fiscal years 2017 through 2020, the years which remain subject to examination as of May 31, 2021. The Church concluded that there are no significant uncertain tax positions requiring recognition in the Church's consolidated financial statements. The Church does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Church does not have any amounts accrued for interest and penalties related to UTBs at May 31, 2021 or 2020, and is not aware of any claims for such amounts by federal or state income tax authorities.

Subsequent Events

In preparing these consolidated financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to May 31, 2021, the most recent consolidated statement of financial position presented herein, through August 19, 2021, the date these consolidated financial statements were available to be issued. No significant such events or transactions were identified.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Church utilizes fair value measurements to record fair value adjustments to certain of its assets, and to determine fair value disclosures. These assets are recorded at fair value on a recurring basis.

The Church groups its assets at fair value into three levels (termed the fair value hierarchy), based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets. Level 1 securities include those traded on an active exchange, such as the New York Stock Exchange, U.S. Treasury securities that are traded by dealers or brokers in active over-the-counter markets, and money market funds. The Church considers its marketable investment securities to be Level 1 assets.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market. The Church holds no assets classified as Level 2.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. The Church considers Investments held in Wesleyan Investment Foundation and the beneficial interest in charitable remainder annuity trust to be classified as Level 3 assets.

The preceding methods described may produce a fair value calculation that may not be reflective of future fair values. Furthermore, although the Church believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

The following tables set forth by level, within the fair value hierarchy, the Church's assets measured at fair value on a recurring basis as of May 31:

2021	Total	Level 1	Level 2	Level 3
Bond mutual funds	\$ 475,105	\$ 475,105	\$ -	\$ -
Equity mutual funds	511,095	511,095	-	-
Real estate mutual funds	17,545	17,545	-	-
Money market funds	3,192	3,192	-	-
Investment in Wesleyan Investment Foundation	1,121,747	-	-	1,121,747
Total investments	2,128,684	1,006,937	-	1,121,747
Beneficial interest in charitable remainder annuity trust	11,000	-	-	11,000
Total assets at fair market value	\$ 2,139,684	\$ 1,006,937	\$ -	\$ 1,132,747
2020	Total	Level 1	Level 2	Level 3
Bond mutual funds	\$ 879,564	\$ 879,564	\$ -	\$ -
Money market funds	2,201	2,201	-	-
Investment in Wesleyan Investment Foundation	1,350,465	-	-	1,350,465
Total investments	2,232,230	881,765	-	1,350,465
Beneficial interest in charitable remainder annuity trust	9,000	-	-	9,000
Total assets at fair market value	\$ 2,241,230	\$ 881,765	\$ -	\$ 1,359,465

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

The Church owns shares in the Wesleyan Investment Foundation; fair value was classified as Level 3 at May 31, 2021 and 2020. The total fair value of these funds is the sum of the fair values of the underlying securities held by the Foundation. The Church is allocated its portion of the total fair value of the funds based on its proportionate shares to the total shares, which may vary. The activity for the years ended May 31, of the Level 3 investment in Wesleyan Investment Foundation assets were:

	2021	2020
Beginning balance	\$ 1,350,465	\$ 950,465
Deposits	2,623,087	1,200,000
Withdrawals	(2,874,581)	(816,265)
Investment income/change in fair value	22,776	16,265
Total	\$ 1,121,747	\$ 1,350,465

Fair value measurement of the beneficial interest in the charitable remainder annuity trust is determined by the underlying investments in the trust, the present value of the future payments to the donor, and any changes in actuarial assumptions. The activity for the years ended May 31, of the Level 3 beneficial interest in charitable remainder annuity trust assets were:

	2021	2020
Beginning balance	\$ 9,000	\$ 9,000
Change in fair value	2,000	-
Total	\$ 11,000	\$ 9,000

3. PLEDGES RECEIVABLE

For consolidated financial statement reporting purposes, promises to give related to a capital campaign are reported as pledges receivable in the consolidated statements of financial position and are recognized as with donor restriction contributions in the consolidated statements of activities. Promises to give are discounted (when material) and recorded as pledges receivable. Pledge receivables are summarized as follows for May 31:

	2021	2020
Receivables in less than one year	\$ 668,059	\$ 634,898
Receivables in two years	-	632,832
Total pledges receivable	668,059	1,267,730
Less: discount to present value at 2.5%	-	(45,931)
Pledges receivable, net	\$ 668,059	\$ 1,221,799

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

4. PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows at May 31:

	2021	2020
Land	\$ 2,656,263	\$ 2,489,641
Buildings	53,338,976	51,387,494
Furniture and equipment	1,520,325	1,520,325
Vehicles	191,416	181,101
Construction in progress	30,535	403
Total	57,737,515	55,578,964
Less accumulated depreciation	(24,668,763)	(23,461,075)
Property and equipment, net	\$ 33,068,752	\$ 32,117,889

Depreciation expense amounted to \$1,680,600 and \$1,523,789 during 2021 and 2020, respectively.

5. NOTES PAYABLE

On August 28, 2019, the Church signed a \$6,300,000 promissory note with interest of 3.49%. The outstanding principal balance at May 31, 2021 of \$2,900,000 is payable in annual installments of \$630,000 plus accrued interest for five years with the final balloon payment due August 25, 2026. The August 25, 2021 and 2022 payments was advanced paid, as such no amount is due until August 25, 2023. Proceeds from the loan were used for the purchase and renovations of a building in San Diego, California and to refinance existing debt. The promissory note is collateralized by a Real Estate Mortgage dated March 14, 2016.

On October 1, 2020, the Church merged with LifeBridge Church of South Haven which had an existing \$800,000 promissory note. The outstanding principal balance at May 31, 2021 of \$462,871 is payable in monthly installments of \$6,169 plus accrued interest of 4.5% with the final payment due December 18, 2032. The promissory note is collateralized by a real estate mortgage dated December 18, 2017.

During the years ended May 31, 2021 and 2020, the Church paid \$159,751 and \$72,766 in interest expense, respectively.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

Scheduled annual principal payments for the notes payable, are as follows:

Year Ended May 31,	Principal
2022	\$ 55,048
2023	56,839
2024	689,450
2025	692,181
2026	695,038
Thereafter	<u>1,174,315</u>
	<u>\$ 3,362,871</u>

6. RELATED PARTY TRANSACTIONS

Related party transactions consist of the following for the years ended May 31:

	2021	2020
Cash paid to the Wesleyan Church denomination and its subsidiaries:		
The Great Lakes District, the Wesleyan Denomination, and the Wesleyan Educational Institutions	\$ 142,494	\$ 173,750
Global Partners	-	6,414
District church planting and support	-	34,892
Investment management fees paid to firm by which member of finance committee is employed	4,719	4,301
Support payments made to non-profits affiliated with an Elder, Deacon, or staff	6,600	17,200
Attorney fees paid to firm by which member of finance committee is employed	7,229	5,069

7. RETIREMENT PLAN

The Church participates in a multiple employer plan qualified under Section 403(b) of the Internal Revenue Code, sponsored by the Wesleyan Church. Pastors and certain staff members are eligible to participate in the plan. Under this plan, the Church makes contributions to the plan for pastors and directors based on 12% of their respective salaries. For staff members who are not pastors or directors, the Church will match employee contributions up to the equivalent of 4% of their respective salaries. Contribution expense recorded for the years ended May 31, 2021 and 2020, was \$229,810 and \$211,828, respectively.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

8. LEASES

The Church leases worship space for The Well of Tennessee. Rental payments for the worship space amounted to \$6,000 for the year ended May 31, 2021. The lease agreement expires on February 28, 2026. The following is a summary of annual minimum future payments anticipated to be received on the non-cancelable operating lease succeeding May 31, 2021:

Year	Amount
2022	\$ 204,000
2023	264,000
2024	264,000
2025	264,000
2026	<u>198,000</u>
Total	<u>\$ 1,194,000</u>

9. RISK MANAGEMENT

The Church is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The Church has purchased commercial insurance for all claims related to the previously stated risks. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

10. NET ASSETS WITH DONOR RESTRICTIONS

Substantially all the restrictions on net assets at May 31, 2021 and 2020, relate to funds received for specific purposes, as designated at time of gift, that are subject to restrictions for expenditure for that specific purposes. These funds are utilized as expenditures are incurred for that purpose. Additionally, the Church has a beneficial interest in a charitable remainder annuity trust that will be utilized through the passage of time.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

Net assets with donor restrictions consist of the following at May 31:

	2021	2020
Purpose restrictions:		
Donor restricted fund:		
Benevolence	\$ 148,360	\$ 51,662
Missions	2,934	6,267
Other	18,314	5,000
Capital campaign pledge receivables	666,129	1,220,972
Global ministries fund:		
Global and local missions	1,280,377	1,312,350
Time restrictions:		
Donor restricted fund:		
Beneficial interest in charitable remainder annuity trust	11,000	9,000
	<u>\$ 2,127,114</u>	<u>\$ 2,605,251</u>

11. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of May 31:

	2021	2020
Financial assets		
Cash and cash equivalents	\$ 224,639	\$ 530,109
Investments	2,128,684	2,232,230
Pledges receivable, current	668,059	634,898
Total financial assets	<u>3,021,382</u>	<u>3,397,237</u>
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors - specified purposes	<u>(2,068,543)</u>	<u>(1,915,140)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 952,839</u>	<u>\$ 1,482,097</u>

In addition to available financial assets, the Church receives contributions to help support annual expenditures and their mission.

CENTRAL WESLEYAN OF HOLLAND

Consolidated Notes to Financial Statements

12. ACQUISITION OF CHURCHES

In August 2019, the Church acquired Captivate Church of San Diego, California in order for the Church to continue its extent its outreach to a new location. Assets acquired consisted of residual cash of \$600,891. Payables assumed were \$12,033. The Consolidated Statement of Activities presents these amounts as excess of assets acquired over liabilities assumed in acquisition of Captivate Church of \$588,858. No consideration was given by the Church in this transaction.

In October 2020, the Church acquired LifeBridge Church of South Haven in order for the Church to continue its extent its outreach to a new location. Assets acquired consisted of land and buildings of \$1,443,792 and residual cash of \$404,100. A note payable was assumed of \$692,359. The land and building and related note payable financing were recently acquired by LifeBridge Church therefore, the carrying value was used to approximate fair value used to record at the date of acquisition. The Consolidated Statement of Activities presents these amounts as excess of assets acquired over liabilities assumed in acquisition of LifeBridge Church of \$1,155,533. No consideration was given by the Church in this transaction.

■ ■ ■ ■ ■

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

August 19, 2021

Finance Committee
Central Wesleyan of Holland
Holland, Michigan

We have audited the consolidated financial statements of the **Central Wesleyan of Holland**, (the "Church") (a Michigan not-for-profit organization) as of May 31, 2021 and 2020, and our report thereon dated August 19, 2021, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 26 through 35 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information, which is the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Rehmann Loborn LLC

Rehmann is an independent member of Nexia International.



CENTRAL WESLEYAN OF HOLLAND

Comparison of Actual and Budgeted Income and Expenses for the General Fund

	For the Year Ended May 31, 2021			
	Actual	Final Budget	Variance with Final Budget	2020 Actual
Support and revenues				
Contributions	\$ 5,181,680	\$ 5,011,400	\$ 170,280	\$ 4,895,151
Paycheck Protection Program	-	-	-	552,120
Program fees	46,531	131,875	(85,344)	117,286
Net investment return	25,177	31,500	(6,323)	27,480
Total support and revenues	<u>5,253,388</u>	<u>5,174,775</u>	<u>78,613</u>	<u>5,592,037</u>
Expenses				
Personnel and benefits	2,910,827	3,180,222	(269,395)	3,118,585
Leadership and training	100,262	145,720	(45,458)	99,436
Administration	110,386	97,460	12,926	5,429
Worship Arts	318,451	353,237	(34,786)	288,269
Discipleship and spiritual formation	62,385	129,136	(66,751)	118,014
Facilities	434,835	487,613	(52,778)	405,553
United Stewardship fund	133,673	135,000	(1,327)	123,750
Water's Edge Network	22,030	-	22,030	-
Next Gen	146,806	272,050	(125,244)	202,231
Total expenses	<u>4,239,655</u>	<u>4,800,438</u>	<u>(560,783)</u>	<u>4,361,267</u>
Change in net assets before nonoperating items	1,013,733	374,337	639,396	1,230,770
Nonoperating item				
Transfers	<u>(1,163,833)</u>	<u>(504,437)</u>	<u>(659,396)</u>	<u>(1,080,670)</u>
Change in net assets	<u>(150,100)</u>	<u>(130,100)</u>	<u>(20,000)</u>	<u>150,100</u>
Net assets, beginning of year	<u>150,100</u>	<u>150,100</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ (20,000)</u>	<u>\$ 150,100</u>

See independent auditors' report on supplementary information.

This page intentionally left blank.

CENTRAL WESLEYAN OF HOLLAND

Combining Schedule of Financial Position By Fund

May 31, 2021

	General Fund	Designated Fund	Donor Restricted Fund	Fixed Asset Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ (595,642)	\$ 81,845	\$ 117,205	\$ (886,443)
Investments	758,477	272,147	-	-
Pledges receivable	-	-	666,129	-
Inter-entity receivable, current portion	-	-	-	192,651
Prepaid expenses and other assets	126,752	12,944	-	-
Total current assets	289,587	366,936	783,334	(693,792)
Beneficial interest in charitable remainder annuity trust	-	-	11,000	-
Inter-entity receivable, net of current portion	-	333,968	-	3,724,474
Property and equipment, net	-	-	-	28,667,971
Total assets	\$ 289,587	\$ 700,904	\$ 794,334	\$ 31,698,653
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 52,628	\$ 4,696	\$ -	\$ -
Accrued compensation	236,959	-	-	-
Inter-entity payable, current portion	-	-	-	-
Notes payable, current portion	-	-	-	-
Total current liabilities	289,587	4,696	-	-
Inter-entity payable, net of current portion	-	-	-	-
Notes payable, net of current portion	-	-	-	2,900,000
Total liabilities	289,587	4,696	-	2,900,000
Net assets				
Without donor restrictions:				
Designated	-	696,208	(52,403)	3,030,682
Net investment in property and equipment	-	-	-	25,767,971
Total without donor restrictions	-	696,208	(52,403)	28,798,653
With donor restrictions	-	-	846,737	-
Total net assets	-	696,208	794,334	28,798,653
Total liabilities and net assets	\$ 289,587	\$ 700,904	\$ 794,334	\$ 31,698,653

See independent auditors' report on supplementary information.

--	--	--	--	--	--	--

Property and Equipment Fund	Global Ministries	Water's Edge Network	Water's Edge West	Elimination	Total
\$ 552,468	\$ 598,802	\$ 350,319	\$ 6,085	\$ -	\$ 224,639
164,000	686,000	248,060	-	-	2,128,684
-	407	-	1,523	-	668,059
-	-	-	-	(192,651)	-
-	713	30,347	3,627	-	174,383
716,468	1,285,922	628,726	11,235	(192,651)	3,195,765
-	-	-	-	-	11,000
-	-	-	-	(4,058,442)	-
-	-	-	4,400,781	-	33,068,752
<u>\$ 716,468</u>	<u>\$ 1,285,922</u>	<u>\$ 628,726</u>	<u>\$ 4,412,016</u>	<u>\$ (4,251,093)</u>	<u>\$ 36,275,517</u>
\$ 2,150	\$ 5,545	\$ 9,657	\$ 55,529	\$ -	\$ 130,205
-	-	-	7,500	-	244,459
-	-	-	192,651	(192,651)	-
-	-	55,048	-	-	55,048
2,150	5,545	64,705	255,680	(192,651)	429,712
-	-	751,342	3,307,100	(4,058,442)	-
-	-	407,823	-	-	3,307,823
2,150	5,545	1,223,870	3,562,780	(4,251,093)	3,737,535
714,318	-	(132,273)	(3,551,545)	-	704,987
-	-	(462,871)	4,400,781	-	29,705,881
714,318	-	(595,144)	849,236	-	30,410,868
-	1,280,377	-	-	-	2,127,114
714,318	1,280,377	(595,144)	849,236	-	32,537,982
<u>\$ 716,468</u>	<u>\$ 1,285,922</u>	<u>\$ 628,726</u>	<u>\$ 4,412,016</u>	<u>\$ (4,251,093)</u>	<u>\$ 36,275,517</u>

CENTRAL WESLEYAN OF HOLLAND

Combining Schedule of Activities By Fund

For the Year Ended May 31, 2021

	General Fund	Designated Fund	Donor Restricted Fund	Fixed Asset Fund
Support and revenues				
Contributions	\$ 5,181,680	\$ (23,033)	\$ 580,790	\$ -
Paycheck Protection Program	-	-	-	-
Program fees	46,531	68,275	-	-
Net investment return	25,177	129,941	-	-
Excess of assets acquired over liabilities assumed in acquisition of Lifebridge Church	-	-	-	1,443,792
Gain on sale of property and equipment	-	-	-	263,446
Change in fair value of time restricted beneficial interest in charitable remainder annuity trust	-	-	2,000	-
Transfers	(1,163,833)	435,875	(723,211)	1,373,720
Total support and revenues	4,089,555	611,058	(140,421)	3,080,958
Expenses				
Personnel and benefits	2,910,827	-	-	-
Leadership and training	100,262	-	-	-
Administration	110,386	6,461	199,207	-
Worship Arts	318,451	(4,884)	391	-
Discipleship and spiritual formation	62,385	78,141	-	-
Facilities	434,835	(49,033)	(121,129)	(26,961)
Building	-	-	209,038	348,282
United Stewardship fund	133,673	-	-	-
Missions	-	-	5,786	-
Water's Edge Network	22,030	-	-	-
Next Gen	146,806	-	-	-
Total expenses	4,239,655	30,685	293,293	321,321
Change in net assets	(150,100)	580,373	(433,714)	2,759,637
Net assets, beginning of year	150,100	115,835	1,228,048	26,039,016
Net assets, end of year	\$ -	\$ 696,208	\$ 794,334	\$ 28,798,653

See independent auditors' report on supplementary information.

Property and Equipment Fund	Global Ministries	Water's Edge Network	Water's Edge West	Elimination	Total
\$ -	\$ 524,264	\$ 1,942,949	\$ 955,730	\$ -	\$ 9,162,380
-	-	-	94,700	-	94,700
38,224	-	47,332	55,621	-	255,983
-	-	877	17,042	-	173,037
-	-	(288,259)	-	-	1,155,533
-	-	-	-	-	263,446
-	-	-	-	-	2,000
673,531	28,626	(573,623)	(51,085)	-	-
711,755	552,890	1,129,276	1,072,008	-	11,107,079
-	-	979,679	465,290	-	4,355,796
-	-	5,235	-	-	105,497
-	-	84,538	162,469	-	563,061
160,953	-	81,152	-	-	556,063
8,837	-	58,552	33,315	-	241,230
854,916	-	436,438	437,983	-	1,967,049
27,293	-	-	(30,597)	-	554,016
-	-	3,342	-	-	137,015
-	308,347	71,674	27,384	-	413,191
-	-	-	-	-	22,030
-	276,516	1,292	-	-	424,614
1,051,999	584,863	1,721,902	1,095,844	-	9,339,562
(340,244)	(31,973)	(592,626)	(23,836)	-	1,767,517
1,054,562	1,312,350	(2,518)	873,072	-	30,770,465
\$ 714,318	\$ 1,280,377	\$ (595,144)	\$ 849,236	\$ -	\$ 32,537,982

CENTRAL WESLEYAN OF HOLLAND

Combining Schedule of Financial Position By Fund

May 31, 2020

	General Fund	Designated Fund	Donor Restricted Fund	Fixed Asset Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ (278,057)	\$ (46,793)	\$ (1,924)	\$ -
Investments	535,478	(205,025)	-	-
Pledges receivable	-	-	634,071	-
Inter-entity receivable, net of current portion	-	34,498	-	378,264
Prepaid expenses and other assets	148,071	5,945	-	-
Total current assets	405,492	(211,375)	632,147	378,264
Pledges receivable, net of current portion	-	-	586,901	-
Beneficial interest in charitable remainder annuity trust	-	-	9,000	-
Inter-entity receivable, net of current portion	-	333,889	-	3,500,676
Property and equipment, net	-	-	-	27,660,076
Total assets	<u>\$ 405,492</u>	<u>\$ 122,514</u>	<u>\$ 1,228,048</u>	<u>\$ 31,539,016</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 45,302	\$ 6,679	\$ -	\$ -
Accrued compensation	210,090	-	-	-
Inter-entity payable, current portion	-	-	-	-
Total current liabilities	255,392	6,679	-	-
Inter-entity payable, net of current portion	-	-	-	-
Note payable, net of current portion	-	-	-	5,500,000
Total liabilities	<u>255,392</u>	<u>6,679</u>	<u>-</u>	<u>5,500,000</u>
Net assets				
Without donor restrictions:				
Undesignated	150,100	-	-	-
Designated	-	115,835	(64,853)	3,878,940
Net investment in property and equipment	-	-	-	22,160,076
Total without donor restrictions	150,100	115,835	(64,853)	26,039,016
With donor restrictions	-	-	1,292,901	-
Total net assets	<u>150,100</u>	<u>115,835</u>	<u>1,228,048</u>	<u>26,039,016</u>
Total liabilities and net assets	<u>\$ 405,492</u>	<u>\$ 122,514</u>	<u>\$ 1,228,048</u>	<u>\$ 31,539,016</u>

See independent auditors' report on supplementary information.

--	--	--	--	--	--	--

Property and Equipment Fund	Global Ministries	Water's Edge Network	Water's Edge West	Elimination	Total
\$ 393,012	\$ 145,866	\$ 265,417	\$ 52,588	\$ -	\$ 530,109
663,700	1,136,300	101,777	-	-	2,232,230
-	827	-	-	-	634,898
-	-	-	-	(412,762)	-
-	32,580	10,681	253,323	-	450,600
1,056,712	1,315,573	377,875	305,911	(412,762)	3,847,837
-	-	-	-	-	586,901
-	-	-	-	-	9,000
-	-	-	-	(3,834,565)	-
-	-	-	4,457,813	-	32,117,889
<u>\$ 1,056,712</u>	<u>\$ 1,315,573</u>	<u>\$ 377,875</u>	<u>\$ 4,763,724</u>	<u>\$ (4,247,327)</u>	<u>\$ 36,561,627</u>
\$ 2,150	\$ 3,223	\$ 12,006	\$ 11,712	\$ -	\$ 81,072
-	-	-	-	-	210,090
-	-	34,498	378,264	(412,762)	-
2,150	3,223	46,504	389,976	(412,762)	291,162
-	-	333,889	3,500,676	(3,834,565)	-
-	-	-	-	-	5,500,000
2,150	3,223	380,393	3,890,652	(4,247,327)	5,791,162
-	-	-	-	-	150,100
1,054,562	-	(2,518)	(3,584,741)	-	1,397,225
-	-	-	4,457,813	-	26,617,889
1,054,562	-	(2,518)	873,072	-	28,165,214
-	1,312,350	-	-	-	2,605,251
1,054,562	1,312,350	(2,518)	873,072	-	30,770,465
<u>\$ 1,056,712</u>	<u>\$ 1,315,573</u>	<u>\$ 377,875</u>	<u>\$ 4,763,724</u>	<u>\$ (4,247,327)</u>	<u>\$ 36,561,627</u>

CENTRAL WESLEYAN OF HOLLAND

Combining Schedule of Activities By Fund

For the Year Ended May 31, 2020

	General Fund	Designated Fund	Donor Restricted Fund	Fixed Asset Fund
Support and revenues				
Contributions	\$ 4,895,151	\$ 25,959	\$ 2,523,780	\$ -
Paycheck Protection Program	552,120	-	-	-
Program fees	117,286	70,964	-	-
Net investment return	27,480	61,991	-	-
Excess of assets acquired over liabilities assumed in acquisition of Captivate Church	-	-	-	-
Gain on sale of property and equipment	-	-	-	-
Transfers	(1,080,670)	(236,167)	(1,124,181)	1,803,940
Total support and revenues	4,511,367	(77,253)	1,399,599	1,803,940
Expenses				
Personnel and benefits	3,118,585	-	-	-
Leadership and training	99,436	-	-	-
Administration	5,429	47,325	203,534	-
Worship Arts	288,269	9,504	823	-
Discipleship and spiritual formation	118,014	-	785	-
Facilities	405,553	9,408	-	-
Building	-	-	-	1,353,486
United Stewardship fund	123,750	-	-	-
Missions	-	-	-	-
Next Gen	202,231	25,117	-	-
Total expenses	4,361,267	91,354	205,142	1,353,486
Change in net assets	150,100	(168,607)	1,194,457	450,454
Net assets, beginning of year	-	284,442	33,591	25,588,562
Net assets, end of year	\$ 150,100	\$ 115,835	\$ 1,228,048	\$ 26,039,016

See independent auditors' report on supplementary information.

Property and Equipment Fund	Global Ministries	Water's Edge Network	Water's Edge West	Elimination	Total
\$ -	\$ 718,345	\$ 1,182,813	\$ 871,134	\$ -	\$ 10,217,182
-	-	108,580	36,000	-	696,700
31,719	-	39,948	6,594	-	266,511
-	-	-	-	-	89,471
-	-	-	588,858	-	588,858
-	-	1,000	-	-	1,000
723,175	-	(69,636)	(16,461)	-	-
754,894	718,345	1,262,705	1,486,125	-	11,859,722
-	-	714,274	343,549	-	4,176,408
-	-	-	-	-	99,436
-	-	63,039	95,474	-	414,801
56,846	-	33,827	-	-	389,269
60,963	-	62,629	31,737	-	274,128
249,783	-	194,940	200,182	-	1,059,866
59,806	-	(13,500)	(75,352)	-	1,324,440
-	-	-	-	-	123,750
-	559,490	41,909	17,463	-	618,862
-	262,875	-	-	-	490,223
427,398	822,365	1,097,118	613,053	-	8,971,183
327,496	(104,020)	165,587	873,072	-	2,888,539
727,066	1,416,370	(168,105)	-	-	27,881,926
\$ 1,054,562	\$ 1,312,350	\$ (2,518)	\$ 873,072	\$ -	\$ 30,770,465