

**THE GRACE MESSAGE dba ANDREW FARLEY MINISTRIES, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2022**

**AND**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
LUBBOCK, TEXAS

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# **BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

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LUBBOCK, TEXAS 79423-1954

## **Independent Auditor's Report**

Board of Directors  
The Grace Message dba Andrew Farley Ministries, Inc.  
Lubbock, Texas

### **Opinion**

We have audited the accompanying financial statements of The Grace Message dba Andrew Farley Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Grace Message dba Andrew Farley Ministries, Inc. as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Grace Message dba Andrew Farley Ministries, Inc. (the Organization), and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### Report on Summarized Comparative Information

We have previously audited The Grace Message dba Andrew Farley Ministries, Inc.'s 2022 financial statements, and our report dated December 5, 2023 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

June 21, 2024

THE GRACE MESSAGE dba ANDREW FARLEY MINISTRIES, INC.

EXHIBIT A

STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2023  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2022

ASSETS

	June 30,	
	2023	2022
Current Assets		
Cash in Bank - Wells Fargo	\$ 1,137,556	\$ 377,139
Cash in Bank - Bank of America	150,778	68,697
Cash in Bank - Venmo	413	
Cash in Bank - First United Bank	73,606	34,725
Cash on Hand	25	25
Cash and Cash Equivalents - Investments	34,046	280,505
Prepaid Expenses	26,372	1,969
Other Current Assets	60,626	57,206
	<u>\$ 1,483,422</u>	<u>\$ 820,266</u>
Fixed Assets		
Land	\$ 805,750	\$ 805,750
Buildings and Improvements	847,774	1,247,681
Equipment	148,224	129,056
Accumulated Depreciation	(81,829)	(48,170)
	<u>\$ 1,719,919</u>	<u>\$ 2,134,317</u>
Long-Term Investments	\$ 370	\$ 280,560
Right-of-Use Assets	\$ 604,110	\$
Total Assets	<u>\$ 3,807,821</u>	<u>\$ 3,235,143</u>

LIABILITIES

Current Liabilities		
Accounts Payable	\$ 96,969	\$ 142,329
Other Current Liabilities	18,420	43,272
Lease Liability - Current Portion	131,436	
	<u>\$ 246,825</u>	<u>\$ 185,601</u>
Lease Liability - Non-Current Portion	\$ 472,674	\$
Total Liabilities	<u>\$ 719,499</u>	<u>\$ 185,601</u>

NET ASSETS

Net Assets without Donor Restrictions		
Undesignated Net Assets	\$ 1,368,403	\$ 915,225
Net Investment in Fixed Assets	1,719,919	2,134,317
	<u>\$ 3,088,322</u>	<u>\$ 3,049,542</u>
Total Liabilities and Net Assets	<u>\$ 3,807,821</u>	<u>\$ 3,235,143</u>

See accompanying notes to financial statements.

## THE GRACE MESSAGE dba ANDREW FARLEY MINISTRIES, INC.

## EXHIBIT B

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022**

	June 30,	
	<u>2023</u>	<u>2022</u>
PUBLIC SUPPORT AND REVENUE:		
Donations	\$ 2,699,285	\$ 1,978,888
OTHER REVENUE:		
Book Sales	\$ 22,210	\$ 26,288
Speaking Engagements	13,058	11,324
Website Sales	185	863
Room Rental	8,000	500
Acquisition Contribution	6,669	1,032,987
Realized Gain on Investments	38,776	
Unrealized Gain (Loss) on Investments	30,556	(39,938)
Gain on Disposal of Assets	43,180	73,855
Interest and Dividend Income	5,225	72
	<u>\$ 167,859</u>	<u>\$ 1,105,951</u>
TOTAL SUPPORT AND OTHER REVENUE	<u>\$ 2,867,144</u>	<u>\$ 3,084,839</u>
OPERATING EXPENSES:		
Program Services	\$ 2,259,148	\$ 1,870,486
General and Administrative	440,979	300,895
Fundraising	128,237	102,650
	<u>\$ 2,828,364</u>	<u>\$ 2,274,031</u>
TOTAL OPERATING EXPENSES	<u>\$ 2,828,364</u>	<u>\$ 2,274,031</u>
CHANGE IN NET ASSETS	\$ 38,780	\$ 811,808
NET ASSETS - BEGINNING OF YEAR	<u>3,049,542</u>	<u>2,237,734</u>
NET ASSETS - END OF YEAR	<u><u>\$ 3,088,322</u></u>	<u><u>\$ 3,049,542</u></u>

See accompanying notes to financial statements.

## THE GRACE MESSAGE dba ANDREW FARLEY MINISTRIES, INC.

EXHIBIT C

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services	General and Administrative	Fundraising	June 30,	
				2023	2022
Design and Development	\$	\$	\$ 128,237	\$ 128,237	\$ 102,650
Subscriptions and Memberships	191	638		829	1,141
Accounting	1,350	25,650		27,000	28,595
Meals and Entertainment		480		480	330
Credit Card and Bank Fees	22,618	10,219		32,837	32,830
Office Supplies	13,605	1,954		15,559	19,178
Postage, Printing, and Mailing Costs	41,530	61,589		103,119	73,026
Travel and Conferences	3,988	9,304		13,292	15,494
Donor Support	13,921	39,621		53,542	31,583
Legal and Professional Fees		7,349		7,349	19,326
Licenses and Permits		4,075		4,075	3,763
Insurance	13,425	12,899		26,324	20,439
Interest	485	66		551	123
Church Expenses	170,376			170,376	83,166
Donations to Nonprofits	1,200			1,200	10,317
Consulting	176,700			176,700	120,300
Maintenance	10,105			10,105	12,373
Occupancy	85,352			85,352	22,211
Utilities	33,076	8,792		41,868	31,630
Advertising	161,419	38,297		199,716	138,373
Video Productions	22,819			22,819	62,548
Audio Productions	5,130			5,130	10,898
Broadcast Fees	690,010			690,010	444,076
Curriculum					1,100
Publications and Books	17,915			17,915	20,322
Studio Equipment	33,839			33,839	29,830
Streaming Services and Digital Outreach	69,271			69,271	164,808
Salary and Wages	281,149	164,717		445,866	353,547
Payroll Taxes	12,271	7,207		19,478	13,923
Health Insurance	11,097	835		11,932	12,778
Retirement Benefits	49,941	3,759		53,700	32,800
Clergy Housing	186,508			186,508	137,569
Grace Church Expenses	65,933			65,933	121,490
Systems Expense	20,311	37,581		57,892	61,609
Total Before Depreciation	\$ 2,215,535	\$ 435,032	\$ 128,237	\$ 2,778,804	\$ 2,234,146
Depreciation	\$ 43,613	\$ 5,947		\$ 49,560	\$ 39,885
Total Functional Expenses	\$ 2,259,148	\$ 440,979	\$ 128,237	\$ 2,828,364	\$ 2,274,031

See accompanying notes to financial statements.

## THE GRACE MESSAGE dba ANDREW FARLEY MINISTRIES, INC.

EXHIBIT D

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022**

	June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 38,780	\$ 811,808
Adjustment to Reconcile Change in Net Assets to Net Cash		
From Operating Activities		
Depreciation	49,560	39,885
Unrealized (Gain) Loss on Investments	(30,556)	38,938
Gain on Disposal of Assets	(43,180)	(73,855)
Fixed Assets Contributed through Acquisition		(5,750)
Changes in Operating Assets and Liabilities		
Other Current Assets	(27,823)	(25,305)
Accounts Payable and Other Current Liabilities	(70,212)	144,091
Net Cash From Operating Activities	\$ (83,431)	\$ 929,812
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	\$ (19,168)	\$ (589,100)
Proceeds from Sale of Fixed Assets	427,186	301,980
Sales of Investments	12,906,961	
Purchase of Investments	(12,596,215)	(319,498)
	\$ 718,764	\$ (606,618)
CHANGE IN CASH	\$ 635,333	\$ 323,194
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	761,091	437,897
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,396,424	\$ 761,091

See accompanying notes to financial statements.