

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

**COMBINED FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT**

December 31, 2022 and 2021

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCAL NETWORK ASSEMBLIES OF GOD**

December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Southern California District Council Assemblies of God, Inc.
dba SoCal Network Assemblies of God
Irvine, California

Report on the Combined Financial Statements

Opinion

We have audited the combined financial statements of Southern California District Council Assemblies of God, Inc. dba SoCal Network Assemblies of God (the Network), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Network as of December 31, 2022 and 2021 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined financial statements section of our report. We are required to be independent of the Network and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Combined Financial Statements

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

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

To the Board of Directors
Southern California District Council Assemblies of God, Inc.
dba SoCal Network Assemblies of God
Irvine, California

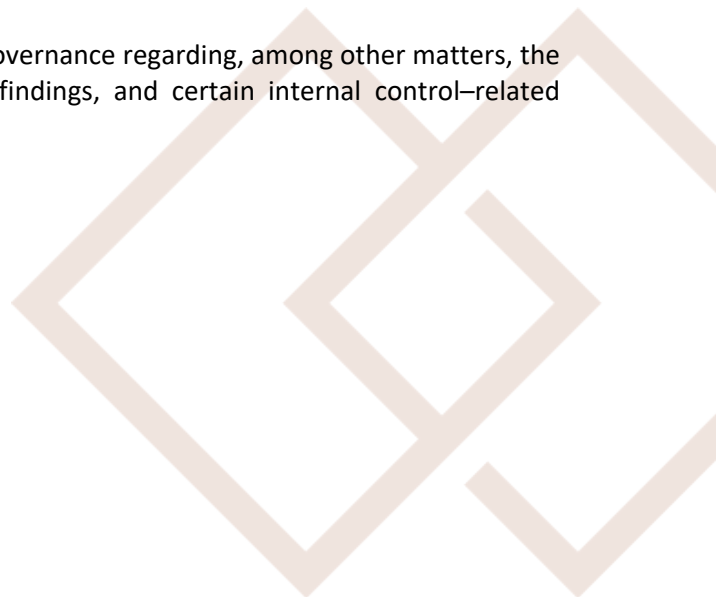
Auditors' Responsibilities for the Audit of the Combined financial statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Network'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network'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.



To the Board of Directors
Southern California District Council Assemblies of God, Inc.
dba SoCal Network Assemblies of God
Irvine, California

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Ronald Blue & Co. CPAs

Santa Ana, California
April 5, 2023



**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

COMBINED STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 982,917	\$ 950,027
Cash and cash equivalents - restricted	<u>1,094,314</u>	<u>1,233,665</u>
Total cash and cash equivalents	2,077,231	2,183,692
Investments	33,662,514	37,874,319
Receivables	1,842	-
Prepaid expenses and deposits	146,363	374,541
Notes receivable	<u>143,551</u>	<u>110,974</u>
Total current assets	<u>36,031,501</u>	<u>40,543,526</u>
Noncurrent assets:		
Investments - restricted	1,064,170	1,064,170
Notes receivable, net	5,072,212	4,113,885
Right of use assets	196,381	-
Property and equipment, net	<u>10,291,890</u>	<u>23,702,312</u>
Total noncurrent assets	<u>16,624,653</u>	<u>28,880,367</u>
Total assets	<u>\$ 52,656,154</u>	<u>\$ 69,423,893</u>

See accompanying notes and independent auditors' report

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

December 31, 2022 and 2021

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 335,036	\$ 341,625
Accrued vacation	174,661	216,056
Deferred income	99,889	97,239
Operating lease obligations	64,342	-
Notes payable	82,554	130,853
	<u>756,482</u>	<u>785,773</u>
Total current liabilities		

Noncurrent liabilities:

Operating lease obligations	122,377	-
Notes payable	5,580,831	7,211,397
	<u>5,703,208</u>	<u>7,211,397</u>
Total noncurrent liabilities		
Total liabilities	<u>6,459,690</u>	<u>7,997,170</u>

Net assets:

Without donor restrictions	45,102,150	60,193,058
With donor restrictions	1,094,314	1,233,665
	<u>46,196,464</u>	<u>61,426,723</u>
Total net assets		
Total liabilities and net assets	<u>\$ 52,656,154</u>	<u>\$ 69,423,893</u>

See accompanying notes and independent auditors' report

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

COMBINED STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and revenues:						
Contributions	\$ 2,169,375	\$ 774,950	\$ 2,944,325	\$ 2,159,549	\$ 1,218,874	\$ 3,378,423
United Ministry Fund contributions	619,999	-	619,999	625,727	-	625,727
Ministries and events	2,898,477	-	2,898,477	1,593,822	-	1,593,822
Investment income (loss), net	(2,103,218)	-	(2,103,218)	3,582,848	-	3,582,848
Interest income	305,131	-	305,131	302,860	-	302,860
Grant income	79,285	-	79,285	120,047	-	120,047
Other income	78,871	-	78,871	8,110	-	8,110
Lease income	245,208	-	245,208	298,394	-	298,394
Health program revenue	209,593	-	209,593	213,233	-	213,233
Gain (loss) on property transfers	(11,364,297)	-	(11,364,297)	1,080,017	-	1,080,017
Pinecrest Conference Center fees	3,118,578	-	3,118,578	914,455	-	914,455
Net assets released from restrictions	914,301	(914,301)	-	847,893	(847,893)	-
Total support and revenues	<u>(2,828,697)</u>	<u>(139,351)</u>	<u>(2,968,048)</u>	<u>11,746,955</u>	<u>370,981</u>	<u>12,117,936</u>
Expenses:						
Program activities	<u>8,082,122</u>	<u>-</u>	<u>8,082,122</u>	<u>5,766,417</u>	<u>-</u>	<u>5,766,417</u>
Supporting activities:						
General and administration	4,180,089	-	4,180,089	3,744,476	-	3,744,476
Fundraising	-	-	-	-	-	-
Total supporting activities:	<u>4,180,089</u>	<u>-</u>	<u>4,180,089</u>	<u>3,744,476</u>	<u>-</u>	<u>3,744,476</u>
Total expenses	<u>12,262,211</u>	<u>-</u>	<u>12,262,211</u>	<u>9,510,893</u>	<u>-</u>	<u>9,510,893</u>
Change in net assets	(15,090,908)	(139,351)	(15,230,259)	2,236,062	370,981	2,607,043
Net assets, beginning of year	<u>60,193,058</u>	<u>1,233,665</u>	<u>61,426,723</u>	<u>57,956,996</u>	<u>862,684</u>	<u>58,819,680</u>
Net assets, end of year	<u>\$ 45,102,150</u>	<u>\$ 1,094,314</u>	<u>\$ 46,196,464</u>	<u>\$ 60,193,058</u>	<u>\$ 1,233,665</u>	<u>\$ 61,426,723</u>

See accompanying notes and independent auditors' report

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

Expenses:	<u>Supporting activities</u>			Total
	<u>Program activities</u>	<u>General and administrative</u>	<u>Fundraising</u>	
Accounting	\$ -	\$ 33,000	\$ -	\$ 33,000
Advertising and marketing	3,552	-	-	3,552
Auto	54,634	1,106	-	55,740
Bank charges	6,634	40,859	-	47,493
Church planting	167,271	-	-	167,271
Conferences and retreats	508,540	703,186	-	1,211,726
Depreciation	356,387	316,041	-	672,428
Dues and subscriptions	76,005	1,095	-	77,100
Insurance	210,061	159,557	-	369,618
Interest	107,954	232,149	-	340,103
Lease	5,346	61,378	-	66,724
Meetings	34,077	-	-	34,077
Ministry	1,529,800	13,237	-	1,543,037
Misc	-	109,379	-	109,379
Missions	646,143	-	-	646,143
Office	307,186	93,898	-	401,084
Payroll taxes	119,239	45,034	-	164,273
Postage	1,625	8,656	-	10,281
Printing and publications	17,893	1,137	-	19,030
Professional services	70,746	18,121	-	88,867
Repairs and maintenance	82,043	30,674	-	112,717
Salaries, wages and benefits	2,268,452	2,197,455	-	4,465,907
Supplies	984,743	-	-	984,743
Travel	49,324	5,742	-	55,066
Utilities	450,249	107,580	-	557,829
Website	24,218	805	-	25,023
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 8,082,122</u>	<u>\$ 4,180,089</u>	<u>\$ -</u>	<u>\$ 12,262,211</u>

See accompanying notes and independent auditors' report

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

COMBINED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

For the Year Ended December 31, 2021

Expenses:	Program activities	Supporting activities		Total
		General and administrative	Fundraising	
Accounting	\$ -	\$ 29,100	\$ -	\$ 29,100
Advertising and marketing	6,673	-	-	6,673
Auto	24,975	549	-	25,524
Bank charges	3,096	40,444	-	43,540
Church planting	264,000	-	-	264,000
Depreciation	379,536	336,506	-	716,042
Conferences and retreats	216,982	47,575	-	264,557
Dues and subscriptions	65,803	600	-	66,403
Insurance	162,799	145,611	-	308,410
Interest	119,557	314,666	-	434,223
Lease	14,734	84,746	-	99,480
Meetings	17,907	-	-	17,907
Ministry	1,699,040	18,919	-	1,717,959
Missions	121,817	-	-	121,817
Office	224,875	107,999	-	332,874
Payroll taxes	71,257	42,167	-	113,424
Postage	2,679	8,738	-	11,417
Printing and publications	5,840	3,378	-	9,218
Professional services	64,055	12,416	-	76,471
Repairs and maintenance	106,375	6,735	-	113,110
Salaries, wages and benefits	1,551,460	2,443,437	-	3,994,897
Supplies	291,452	-	-	291,452
Travel	31,852	3,089	-	34,941
Utilities	310,174	94,209	-	404,383
Website	9,479	3,592	-	13,071
Total expenses	\$ 5,766,417	\$ 3,744,476	\$ -	\$ 9,510,893

See accompanying notes and independent auditors' report

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

COMBINED STATEMENTS OF CASH FLOW

December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (15,230,259)	\$ 2,607,043
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	672,428	716,042
Operating lease expense	48,861	-
Cash used to acquire right-of-use assets	(10,231)	-
(Gain) loss on property transfers	11,364,297	(1,080,017)
Realized/unrealized (gain) loss on investments	2,853,248	(2,747,289)
Changes in:		
Receivables	(1,842)	-
Prepaid expenses and deposits	228,178	(44,551)
Accounts payable	(6,589)	189,989
Accrued vacation	(41,395)	(28,788)
Deferred income	2,650	26,800
Operating lease obligations	(48,292)	-
Net cash flows from operating activities	<u>(168,946)</u>	<u>(360,771)</u>
Cash flows from investing activities		
Issuance of new notes receivable	(1,109,444)	(16,666)
Note receivable payments received	118,540	112,757
Proceeds from sale of properties	1,412,676	1,784,955
Purchases of property and equipment	(38,979)	(23,752)
Purchases of investments	(8,922,979)	(12,390,152)
Sales and maturities of investments	10,281,536	11,491,033
Net cash flows from investing activities	<u>1,741,350</u>	<u>958,175</u>
Cash flows from financing activities		
Extinguishment of debt on sale of property	(1,094,200)	(788,960)
Principal payments of notes payable	(584,665)	(118,010)
Net cash flows from financing activities	<u>(1,678,865)</u>	<u>(906,970)</u>
Net change in cash and cash equivalents	(106,461)	(309,566)
Total cash and cash equivalents, beginning of year	<u>2,183,692</u>	<u>2,493,258</u>
Total cash and cash equivalents, end of year	<u>\$ 2,077,231</u>	<u>\$ 2,183,692</u>

See accompanying notes and independent auditors' report

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 1 – Summary of significant accounting policies

The following significant accounting policies are presented to assist the reader in understanding the combined financial statements of Southern California District Council Assemblies of God, Inc. dba SoCal Network Assemblies of God. The combined financial statements and notes are representations of management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (US GAAP), and have been consistently applied in the preparation of the combined financial statements.

Principles of combination

The accompanying combined financial statements represent the operations of two affiliated organizations. The Southern California District Council Assemblies of God, Inc. dba SoCal Network Assemblies of God (the Network) is organized under the auspices of the General Council Assemblies of God, Inc., Springfield, Missouri (the General Council). Pinecrest Christian Conference Center, LLC (Pinecrest) was incorporated in 2010. All references to the Network in these combined financial statements include both the Network and Pinecrest where appropriate. Both affiliates are under common control as defined by US GAAP.

All significant intercompany accounts and transactions have been eliminated in the combined financial statements.

Nature of operations

The Network was formed in 1919 and provides administrative services and limited financial assistance to affiliated organizations in Southern California. Pinecrest provides Christian camping facilities for various groups in Southern California. The Network's primary sources of revenue are ministers' tithes, United Ministry Funds, conference center fees, investment income and activity fees.

Basis of accounting

The combined financial statements of the Network have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Cash and cash equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition. Cash equivalents consisting of money market funds totaled \$264,517 and \$264,385 at December 31, 2022 and 2021, respectively.

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 1 – Summary of significant accounting policies (continued)

Cash and cash equivalents – restricted

The Network routinely receives contributions that are subject to donor-imposed restrictions. Restricted cash consists of those amounts set aside to comply with such restrictions. Restricted cash and cash equivalents totaled \$1,094,314 and \$1,233,665 at December 31, 2022 and 2021, respectively.

Accounts receivable

Accounts receivable consisted primarily of amounts due from ministers for health insurance benefits. Receivables are recorded when billed or earned. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, type of debtor, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due.

Investments

Investments in money market funds, certificates of deposits, and marketable securities with readily determinable values are carried at fair value based on quoted market prices and realized and unrealized gain/loss in the change in net assets is recognized in the year that it occurs. Donated securities are recorded at fair value at the date of donation and are thereafter carried in accordance with the above provision.

Property and equipment

Capital expenditures over \$2,500 for property and equipment are capitalized, and presented at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from three to 45 years. Donated assets are capitalized at their approximate fair value at the date of the gift. Depreciation expense for the years ended December 31, 2022 and 2021, was \$672,428 and \$716,042, respectively.

SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 1 – Summary of significant accounting policies (continued)

Property and equipment (continued)

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows (undiscounted and without interest) expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. During 2022 and 2021, there were no events or changes in circumstances indicating that the carrying amount of long-lived assets may not be recoverable.

Net assets

The Network reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as net assets with donor restrictions depending on the nature of restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions. At December 31, 2022 and 2021, net assets with donor restrictions consisted of \$1,094,314 and \$1,233,665, respectively.

Revenue recognition

Contributions are recognized when cash, securities, other assets, an unconditional promise to give, or notification of a benefit interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Revenue is recognized when earned.

Rental income under an operating lease agreement should be recognized on a straight-line basis. The Organization records rental income according to each tenant's lease agreement. The difference between the two methods was determined to be immaterial to the financial statements.

Revenue from contracts is recognized when the Organization satisfies a performance obligation by transferring a promised good or service to a customer. The Organization considers the terms of the contract and all relevant facts and circumstances when applying the revenue recognition standard. The Organization also applies the revenue recognition standard consistently to contracts with similar characteristics and in similar circumstances.

SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 1 – Summary of significant accounting policies (continued)

Revenue recognition (continued)

Ministries and events consist of events, fees and other income and are generally recorded when received.

Pinecrest Conference Center and related fees are registration fees, camp fees, and related income and are recognized when earned. Deferred income consists of amounts received in advance that have not been earned as of the end of the fiscal year.

Gifts-in-kind and contributed services

Volunteers contribute amounts of time to the program activities, administration, and fundraising and development activities carried out by the Network. However, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by US GAAP. Gifts-in-kind and contributed services, if any, are recorded at their estimated fair value at the date received. No significant contributions of such gifts-in-kind or contributed services were received during the years ended December 31, 2022 and 2021.

Functional allocation of expenses

The combined 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. Certain significant expenses are allocated on a basis of square footage, such as occupancy and depreciation while others are allocated on a basis of time and effort estimates, such as salaries and wages and related expenses.

Income taxes

The Network is exempt from Federal and California income tax under Internal Revenue Code Section 501(c)(3). The Network is subject, however, to Federal and California income tax on unrelated business income as stipulated in Internal Revenue Code Section 511 and Regulation Section 1.511. During the years ended December 31, 2022 and 2021, the Network had rental income from debt-financed property which constitutes unrelated business income. However, since applicable expenses of the rental activity exceeded the rental income, the Network did not have unrelated business taxable income, and therefore incurred no tax liability due to unrelated business income. The Network does not believe its combined financial statements include (or reflect) any uncertain tax positions.

Pinecrest is wholly owned by the Network. For Federal income tax purposes Pinecrest is treated as a disregarded entity and assumes the Federal income tax exemption of the Network. For State income tax purposes, Pinecrest has been granted exemption by the State of California.

**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 1 – Summary of significant accounting policies (continued)

Use of estimates

The preparation of combined financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Concentrations of credit risk

The Network maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022 and 2021, the Network had approximately \$1,326,031 and \$1,649,331, respectively, in excess of FDIC insured limits. The Network has not experienced any losses in such accounts.

Financial instruments that potentially subject the Network to concentrations of credit risk include cash and cash equivalents and notes receivable (Note 5). The Network places its cash and cash equivalents with high quality financial institutions and limits the amount of credit exposure with any one institution. Future changes in economic conditions may impact the collectability of notes receivable.

Adoption of new accounting standards

Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, went into effect for annual periods beginning after June 15, 2021. Therefore, the Network has adopted the new accounting standard on January 1, 2022. The ASU requires the Network to present contributed materials and services, also known as gifts-in-kind, as a separate line item in the statements of activities, apart from contributions of cash and other financial assets. The standard also increases the disclosure requirements related to contributed materials and services, including a disaggregation of contributions by type. Adoption of this ASU does not have a significant impact on the financial statements, with the exception of increased disclosure.

Note 2 – Liquidity and availability

As part of liquidity management, the Network has put a policy in place to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available for general expenditure within one year consisted of the following at December 31, 2022:

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Note 2 – Liquidity and availability (continued)

Total cash and cash equivalents	\$ 2,077,231
Investments	34,726,684
Notes receivable - current portion	<u>143,551</u>
 Total financial assets	 <u>36,947,466</u>
 Contractual or donor-imposed restrictions	
Investments - restricted	1,064,170
Board designated operating reserves and other	18,959,188
Donor contributions with specific purpose restrictions	<u>1,094,314</u>
 Total contractual or donor-imposed restrictions	 <u>21,117,672</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 15,829,794</u>

Note 3 – Investments and fair value measurement

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Network has the ability to access.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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Note 3 – Investments and fair value measurement

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Money market funds: Amounts are interest-bearing deposit accounts, which at times may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Network does not consider these amounts for use in general operations; therefore a portion classified as restricted cash are presented with cash and cash equivalents and the remainder is classified as investments.

Equity securities: Equity securities are instruments that signify an ownership position in a corporation and represent a claim on its proportional share in the corporation's assets and profits. Ownership is determined by the number of shares an investor owns divided by the total number of shares outstanding. Equity securities are valued daily based on the closing market price in the active exchange markets.

Certificates of deposits: Amounts are classified as Level 2, as they are not actively traded; however, pricing for similar investments with the same maturities is readily available from various sources.

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Note 3 – Investments and fair value measurement (continued)

The following table sets forth by level, within the fair value hierarchy, the Network's investment assets at fair value as of December 31:

	2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market funds	\$ 264,517	\$ -	\$ -	\$ 264,517
Investments:				
Money market funds	51,508	-	-	51,508
Equity securities	14,923,489	-	-	14,923,489
Certificates of deposit	-	19,751,687	-	19,751,687
Total	\$ 15,239,514	\$ 19,751,687	\$ -	\$ 34,991,201

	2021			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market funds	\$ 264,385	\$ -	\$ -	\$ 264,385
Investments:				
Money market funds	141,591	-	-	141,591
Equity securities	17,489,791	-	-	17,489,791
Certificates of deposit	-	21,307,107	-	21,307,107
Total	\$ 17,895,767	\$ 21,307,107	\$ -	\$ 39,202,874

Investment income was comprised of the following for the years ended December 31:

	2022	2021
Interest and dividends	\$ 860,592	\$ 944,926
Realized and unrealized gain (loss) on investments	(2,853,248)	2,747,289
Investment fees	(110,562)	(109,367)
Total investment income (loss), net	\$ (2,103,218)	\$ 3,582,848

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Note 4 – Notes receivable

Notes receivable consisted of the following at December 31:

	2022	2021
Funds advanced to affiliate churches and organizations that are primarily secured by real property. The notes bear interest ranging from 4.50% to 8.50% per annum.	<u>\$ 5,515,763</u>	<u>\$ 4,524,859</u>
Total notes receivable	5,515,763	4,524,859
Less: allowance for loan losses	(300,000)	(300,000)
Less: current portion of note receivables	<u>(143,551)</u>	<u>(110,974)</u>
Noncurrent portion of note receivables	<u>\$ 5,072,212</u>	<u>\$ 4,113,885</u>

Management has established the allowance based on specific identification of individual loans, and trends established in prior years, and on the condition that many of the amounts are secured by real property. The Network monitors the credit quality of its notes annually, primarily by assessing the historical payments on the notes. As December 31, 2022 and 2021, all notes receivable are considered to be performing.

Note 5 – Leases

Adoption of new accounting standards

In February 2016, the Financial Accounting Standards Board (FASB) established Accounting Standards Codification (ASC) Topic 842, Leases, by issuing Accounting Standards Update (ASU) 2016-02, which requires lessees to recognize leases on the statement[s] of financial position, and disclose key information about leasing arrangements. The ASU went into effect for non-public entities with fiscal years beginning after December 15, 2021. Therefore, the Network has adopted the new accounting standard on January 1, 2022.

The Network has elected to transition using the effective method under the modified retrospective approach, by which a cumulative-effect adjustment is made on the initial date of adoption for existing leases, and comparative periods are presented under the prior lease Topic ASC 840, that was superseded by ASC 842. Additionally, the Network has elected to apply the package of practical expedients that allows opting out of re-evaluation and re-assessment of existing lease agreements under the new standard, instead relying on the historical determination and values.

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December 31, 2022 and 2021

Note 5 – Leases (continued)

Leases

The Network has lease arrangements for certain equipment and facilities. These leases typically have original terms of 36 to 60 months and do not include extension or purchase options that the Network is reasonably certain to exercise. None of the lease arrangements include residual value guarantees or restrictive covenants. The Network’s lease arrangements may contain nonlease components; the Network has elected to combine and account for lease and nonlease components as a single lease component for all leases. Payments for the leases are predominantly fixed, but can contain variable costs for usage-based metrics. Such payments are accounted for separately and are not included in the capitalization and amortization of the leases. In accordance with US GAAP, the Network considers materiality of the present value total lease payments when applying lease accounting standards and preparing disclosures.

Lease expense was comprised of the following amounts for the years ended December 31:

	ASC 842 2022	ASC 840 2021
Operating leases	\$ 50,477	\$ 99,480
Variable payments	<u>21,573</u>	<u>-</u>
Total lease expense	<u>\$ 72,050</u>	<u>\$ 99,480</u>

Cash paid for leases during the years ended December 31, 2022 (ASC 842) and 2021 (ASC 840), was \$71,481 and \$99,480, respectively

Non-cash information for the years ended December 31:

	2022	2021
Right-of-use assets acquired in exchange for operating lease obligations	<u>\$ 235,011</u>	<u>\$ -</u>

Minimum payments for operating leases consist of the following for the years ended December 31:

2023	\$ 64,342
2024	64,342
2025	46,695
2026	16,036
Less: imputed interest	<u>(4,696)</u>
Total operating lease obligations	<u>\$ 186,719</u>

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Note 5 – Leases (continued)

Weighted average by type:

	2022	2021
Vehicles		
Weighted-average remaining term (in years)	2.83	-
Weighted-average discount rate	4.23%	0.00%
Mailing equipment		
Weighted-average remaining term (in years)	2.00	-
Weighted-average discount rate	0.70%	0.00%
Copiers		
Weighted-average remaining term (in years)	2.78	-
Weighted-average discount rate	0.81%	0.00%

The discount rates are based on the risk-free rate, which best approximates the US Treasury Bill rate for the nearest approximate term on the execution date.

Note 6 – Property and equipment

Property and equipment consisted of the following at December 31:

	2022	2021
Autos and trucks	\$ 98,587	\$ 78,531
Buildings	9,533,807	18,292,679
Land	5,439,138	10,165,643
Furniture and equipment	337,926	337,926
Improvements	<u>5,867,017</u>	<u>5,867,017</u>
 Total property and equipment	 21,276,475	 34,741,796
 Less: accumulated depreciation	 <u>(10,984,585)</u>	 <u>(11,039,484)</u>
 Property and equipment, net	 <u>\$ 10,291,890</u>	 <u>\$ 23,702,312</u>

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Note 7 – Notes payable

Notes payable consisted of the following at December 31:

	2022	2021
On May 2, 2019, the Network refinanced the note payable, secured by a deed of trust on real property, in the amount of \$211,517. The note is payable in monthly principal and interest installments of \$1,508 at a 6.00% rate of interest through May 20, 2039.	\$ 186,055	\$ 194,353
In May 2015, the Network received a loan commitment for a construction loan with a maximum loan amount of \$3,000,000. When construction is completed, the loan will be payable in monthly principal and interest installments of \$15,155 at an interest rate of 4.50% over a 40-year term. To date, the Network has borrowed the amount shown, which also includes service fees and capitalized interest.	3,254,685	3,289,197
In April 2016, two existing loans were refinanced with a different bank as part of a single transaction, resulting in two new notes. Note payable in the amount of \$2,376,336 is payable in monthly principal and interest installments of \$12,450 at a rate of 4.75% through March 2032.	2,105,442	2,151,567
In April 2016, two existing loans were refinanced with a different bank as part of a single transaction, resulting in two new notes. Note payable in the amount of \$1,233,244 is payable in monthly principal and interest installments of \$6,433 at a rate of 4.75% through November 2033. This note was extinguished when the property was sold.	-	1,094,200
On October 21, 2016, the Network obtained a note payable, secured by a deed of trust on real property, in the amount of \$289,289. The note is payable in monthly principal and interest installments of \$1,509 at a 4.75% adjustable rate of interest through October 21, 2046. The interest rate may be adjusted by a maximum of 2.00% every three years. This note was extinguished when the property was sold.	-	265,367

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Note 7 – Notes payable (continued)

	2022	2021
On March 21, 2018, the Network obtained a note payable, secured by a deed of trust on real property, in the amount of \$125,000. The note is payable in monthly principal and interest installments of \$798 at a 6.50% adjustable rate of interest through March 21, 2048. The interest rate may be adjusted by a maximum of 2.00% every three years.	117,203	119,312
On May 4, 2018, the Network obtained a note payable, secured by a deed of trust on real property, in the amount of \$253,750. The note is payable in monthly principal and interest installments of \$1,892 at a 6.50% adjustable rate of interest through May 4, 2048. The interest rate may be adjusted by a maximum of 2.00% every three years. This note was extinguished when the property was sold.	<u>-</u>	<u>228,254</u>
Total notes payable	5,663,385	7,342,250
Less: current portion of notes payable	<u>(82,554)</u>	<u>(130,853)</u>
Noncurrent portion of notes payable	<u>\$ 5,580,831</u>	<u>\$ 7,216,773</u>

Future minimum principal payments for notes payable consist of the following for the years ended December 31:

2023	\$ 82,554
2024	83,416
2025	87,788
2026	92,393
2027	97,242
2028 and thereafter	5,219,992

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December 31, 2022 and 2021

Note 8 – Net assets

Net assets consisted of the following at December 31:

	2022	2021
Net assets without donor restrictions:		
Undesignated	\$ 26,142,962	\$ 39,379,784
Board designated	<u>18,959,188</u>	<u>20,813,274</u>
Total net assets without donor restrictions	<u>45,102,150</u>	<u>60,193,058</u>
Net assets with donor restrictions:		
Subsequent year's ministry expense	1,064,314	1,203,665
Scholarship grants	<u>30,000</u>	<u>30,000</u>
Total net assets with donor restrictions	<u>1,094,314</u>	<u>1,233,665</u>
Total net assets	<u>\$ 46,196,464</u>	<u>\$ 61,426,723</u>

Note 9 – Lease income

The Network leases church facilities owned by the Network to SoCal Network Tenant Churches under month-to-month lease agreements. The lease income received is used to pay the related loans on the properties. (This situation applies to the last three loans listed in Note 7.) Although the Network uses the lease income to pay the related loans, the SoCal Network Tenant Churches are not responsible for those loans, and in the event the SoCal Network Tenant Church terminated the arrangement, the Network would continue to be solely responsible for the remaining loan, and would attempt to place another SoCal Network Tenant Church in the property.

The Network also leases other facilities under month-to-month lease agreements to various organizations.

Total income under all leases described above were \$245,208 and \$298,394 during the years ended December 31, 2022 and 2021, respectively.

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Note 10 – Retirement plan

The Network has established a tax sheltered annuity retirement plan under Internal Revenue Code Section 403(b), whereby all eligible employees may contribute to a retirement annuity of their choice under a salary reduction agreement. The Network matches contributions up to 5% of employee gross wages for regular employees, 6% for department directors, 10% for middle management and 15% for officers. The Network has incurred \$184,820 and \$178,842, respectively, in matching contributions and other employer contributions for the years ended December 31, 2022 and 2021.

Note 11 – Commitments and contingencies

The Network is liable as endorser or guarantor on AG Financial Solutions loans in the approximate amount of \$157,540 and \$324,271 as of December 31, 2022 and 2021, respectively. The primary obligations are secured by mortgages on real property. The obligations have various maturity dates with the last obligation maturing on January 15, 2033. In the opinion of management, none of the primary obligations are in danger of default. Accordingly, no liability for this contingency has been recorded in the combined financial statements.

Note 12 – Risks and uncertainties

The Network is party to occasional legal disputes in the normal course of business, and maintains adequate general counsel in order to mitigate risk and loss. The Network believes its insurance coverage would cover any potential settlements or losses, therefore the accompanying financial statements include no adjustments relating to the effects of such matters.

The Network has currently ten legal cases pending which are all similar in nature, and in various stages of progression. The Network's liability is considered remote. The Network will vigorously defend all claims, and once discovery is complete, and Plaintiffs' depositions are taken, the Network's attorneys will likely seek to schedule a mediation with the Plaintiffs. An evaluation of the likelihood of a favorable or unfavorable outcome is not determinable and therefore the accompanying financial statements include no adjustments relating to the effects of such matters.

Note 13 – Related party transactions

The Network is related through Bylaws to Vanguard University of Southern California (Vanguard). Vanguard is a California nonprofit organization exempt from Federal and California income tax under Internal Revenue Code Section 501(c)(3). US GAAP requires the consolidation of entities where both control and economic interest are present. Therefore, these combined financial statements do not include the financial position, activities, or cash flows of Vanguard due to lack of control.

In 2020, the Network made an unconditional pledge to Vanguard in the amount of \$500,000. As of December 31, 2022 and 2021, the balance due on the pledge is \$0 and \$250,000, respectively.

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Note 13 – Related party transactions (continued)

Network Affiliated Churches

Certain member churches of the Network, known as Network affiliated churches, are governed in accordance with the Network's Articles of Incorporation and Bylaws approved by the Executive Presbytery for Network affiliated churches, and such other guidelines and requirements approved by the Executive Presbytery. The Bylaws of the Network also provide for the title of the property of Network affiliated churches to be held in the corporate name of the Southern California District Council Assemblies of God, Inc. dba SoCal Network Assemblies of God. The Network is also liable as endorser or guarantor of secured loans of Network affiliated churches. See Note 11.

In the opinion of management, the consolidation of the combined financial statements of Network affiliated churches would not provide meaningful financial information to the users of the Network's combined financial statements and might be misleading to such users.

Note 14 – Supplemental disclosures of cash flow information

	2022	2021
Cash paid during the year for:		
Interest	\$ <u>340,103</u>	\$ <u>434,223</u>
Income taxes	\$ <u> </u> -	\$ <u> </u> -

There were no non-cash financing or investing activities for the years ended December 31, 2022 and 2021.

Note 15 – Prior period adjustment

Management identified the misclassification in presentation of interfund transfers during the prior period, resulting in a reclassification of \$1,573,941 from investment income (loss) to ministries and events income. Total support and revenues were unchanged. Management has reclassified income and expense categories in the supplemental information to conform with the presentation of the statement of activities and to provide uniformity amongst the activities presented within. This adjustment had no impact on prior year change in net assets.

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Note 16 – Subsequent events

Management's review

Management has evaluated subsequent events through April 5, 2023, the date on which the combined financial statements were available to be issued.

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES

For the Years Ended December 31, 2022 and 2021

Revenues	All Departments	
	2022	2021
General and Administration	\$ (10,826,704)	\$ 6,298,261
Network School of Ministry	158,875	146,972
Deaf Ministry	14,950	24,244
Men's Ministry	87,065	67,346
Technology Ministry	125,800	123,700
PK/MK Ministry	10,000	8,169
Youth Ministry	335,791	241,010
Pastors' Wives Ministry	8,073	7,663
Kids' Ministry	281,884	271,827
Pastoral Care	130,000	136,443
Women's Ministry	219,802	205,822
Network of Women Ministers	10,060	8,562
Second Half Ministry	44,738	38,966
Young Ministers	10,700	11,234
Missions	383,024	306,082
Compassion - City Serve	13,628	14,788
Annual Missions Project	822,806	438,090
Church Planting	126,598	125,048
NA Church Oversight	23,661	17,912
Church Planting Grants	139,000	240,000
Pinecrest Conference Center	3,243,319	1,036,021
NorCal Ministers Insurance	78,634	96,638
SoCal Ministry Vision Funds	<u>815,924</u>	<u>1,034,265</u>
Total revenues without donor restrictions	<u>(3,742,372)</u>	<u>10,899,063</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Expenses	All Departments	
	2022	2021
General and Administration	\$ 4,308,914	\$ 3,742,996
Network School of Ministry	158,875	142,392
Deaf Ministry	13,557	1,186
Men's Ministry	71,016	40,115
Technology Ministry	122,549	110,400
PK/MK Ministry	3,520	-
Youth Ministry	335,791	168,281
Pastors' Wives Ministry	1,155	1,251
Kids' Ministry	271,531	245,399
Pastoral Care	129,676	131,248
Women's Ministry	188,633	189,443
Network of Women Ministers	1,463	1,649
Second Half Ministry	37,115	25,525
Young Ministers	6,798	1,994
Missions	302,973	248,473
Compassion - City Serve	163	1,159
Annual Missions Project	665,506	323,207
Church Planting	126,598	110,647
NA Church Oversight	14,598	6,702
Church Planting Grants	139,000	240,000
Pinecrest Conference Center	3,794,924	2,073,471
NorCal Ministers Insurance	77,054	73,567
SoCal Ministry Vision Funds	<u>576,500</u>	<u>783,895</u>
Total expenses less released from restrictions	<u>11,347,909</u>	<u>8,663,000</u>
Excess (deficiency) of revenues over expenses	<u>\$ (15,090,281)</u>	<u>\$ 2,236,063</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

General and Administration

Revenues	2022	2021
Network - Tithes	\$ 2,159,275	\$ 2,173,149
Fees	67,249	40,378
Lease income	245,208	298,394
Investment income (loss), net	(2,103,218)	3,582,848
Gain (loss) on property transfers	(11,364,297)	1,080,017
Miscellaneous	466,509	164,626
Other income	506,384	302,860
Programs and events	251,769	138,714
Transfer in - Schwab funds	90,000	91,215
Transfers out	<u>(1,145,583)</u>	<u>(1,573,941)</u>
 Total revenues	 <u>(10,826,704)</u>	 <u>6,298,260</u>
 Expenses		
Personnel	1,914,681	2,120,042
Office	354,260	383,258
Building operations	187,872	151,044
Property and loan administration	233,987	340,854
Leadership travel	42,875	35,444
Ministry support	169,085	161,360
Miscellaneous	109,379	-
Programs and events	972,589	216,308
Depreciation	<u>324,186</u>	<u>334,686</u>
 Total expenses	 <u>4,308,914</u>	 <u>3,742,996</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ (15,135,618)</u>	 <u>\$ 2,555,264</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Network School of Ministry

Revenues	2022	2021
Network - UMF	\$ 21,333	\$ 59,114
Transfer in funds	28,247	-
Programs and events	104,238	79,494
Other income	57	-
Training/Development funds	<u>5,000</u>	<u>8,364</u>
 Total revenues	 <u>158,875</u>	 <u>146,972</u>
 Expenses		
Personnel	94,795	94,938
Office	7,837	7,569
Programs and events	56,243	39,585
Training and development	<u>-</u>	<u>300</u>
 Total expenses	 <u>158,875</u>	 <u>142,392</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ -</u>	 <u>\$ 4,580</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Deaf Ministry

Revenues	2022	2021
Network - UMF	\$ 7,200	\$ 2,080
Training/Development funds	2,800	8,364
Other income	<u>4,950</u>	<u>13,800</u>
Total revenues	<u>14,950</u>	<u>24,244</u>
Expenses		
Programs and events	10,209	-
Office	<u>3,348</u>	<u>1,186</u>
Total expenses	<u>13,557</u>	<u>1,186</u>
Excess (deficiency) of revenues over expenses	<u>\$ 1,393</u>	<u>\$ 23,058</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Men's Ministry

Revenues	2022	2021
Network - UMF	\$ 21,333	\$ 20,799
Training/Development funds	5,000	8,364
Other income	1,825	14,588
Programs and events	<u>58,907</u>	<u>23,595</u>
 Total revenues	 <u>87,065</u>	 <u>67,346</u>
 Expenses		
Personnel	387	261
Office	42,358	35,519
Programs and events	<u>28,271</u>	<u>4,335</u>
 Total expenses	 <u>71,016</u>	 <u>40,115</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ 16,049</u>	 <u>\$ 27,231</u>

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**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
DBA SOCIAL NETWORK ASSEMBLIES OF GOD**

COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Technology Ministry

Revenues	2022	2021
Network - UMF	\$ 120,000	\$ 123,700
Transfer in funds	<u>5,800</u>	<u>-</u>
 Total revenues	 <u>125,800</u>	 <u>123,700</u>
 Expenses		
Personnel	120,456	108,986
Office	<u>2,093</u>	<u>1,414</u>
 Total expenses	 <u>122,549</u>	 <u>110,400</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ 3,251</u>	 <u>\$ 13,300</u>

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**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

PK/MK Ministry

Revenues	2022	2021
Network - UMF	\$ 7,200	\$ 4,598
Training/Development funds	<u>2,800</u>	<u>3,571</u>
Total revenues	<u>10,000</u>	<u>8,169</u>
 Expenses		
Programs and events	<u>3,520</u>	<u>-</u>
Total expenses	<u>3,520</u>	<u>-</u>
Excess (deficiency) of revenues over expenses	<u>\$ 6,480</u>	<u>\$ 8,169</u>

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**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
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For the Years Ended December 31, 2022 and 2021

Youth Ministry

Revenues	2022	2021
Network - UMF	\$ 90,000	\$ 76,628
Transfer in funds	15,244	-
Other income	18,106	14,018
Programs and events	198,775	108,449
Training/Development funds	<u>13,666</u>	<u>41,915</u>
 Total revenues	 <u>335,791</u>	 <u>241,010</u>
 Expenses		
Personnel	66,935	60,035
Office	37,828	30,273
Programs and events	<u>231,028</u>	<u>77,973</u>
 Total expenses	 <u>335,791</u>	 <u>168,281</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ -</u>	 <u>\$ 72,729</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Pastors' Wives Ministry

Revenues	2022	2021
Network - UMF	\$ 7,200	\$ 7,663
Programs and events	<u>873</u>	<u>-</u>
Total revenues	<u>8,073</u>	<u>7,663</u>
 Expenses		
Office	-	531
Programs and events	<u>1,155</u>	<u>720</u>
Total expenses	<u>1,155</u>	<u>1,251</u>
Excess (deficiency) of revenues over expenses	<u>\$ 6,918</u>	<u>\$ 6,412</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Kids' Ministry

Revenues	2022	2021
Network - UMF	\$ 90,000	\$ 88,670
Transfer in funds	-	83,470
Other income	35,701	20,721
Programs and events	142,517	63,690
Training/Development funds	<u>13,666</u>	<u>15,276</u>
 Total revenues	 <u>281,884</u>	 <u>271,827</u>
 Expenses		
Personnel	171,088	163,350
Office	21,033	21,043
Programs and events	<u>79,410</u>	<u>61,006</u>
 Total expenses	 <u>271,531</u>	 <u>245,399</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ 10,353</u>	 <u>\$ 26,428</u>

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**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Pastoral Care

Revenues	2022	2021
Network - UMF	\$ 130,000	\$ 128,079
Training/Development funds	<u>-</u>	<u>8,364</u>
Total revenues	<u>130,000</u>	<u>136,443</u>
 Expenses		
Personnel	119,358	112,636
Office	<u>10,318</u>	<u>18,612</u>
Total expenses	<u>129,676</u>	<u>131,248</u>
Excess (deficiency) of revenues over expenses	<u>\$ 324</u>	<u>\$ 5,195</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Women's Ministry

Revenues	2022	2021
Network - UMF	\$ 90,000	\$ 88,670
Transfer in funds	-	53,278
Other income	63,428	36,555
Programs and events	52,708	12,043
Training/Development funds	<u>13,666</u>	<u>15,276</u>
 Total revenues	 <u>219,802</u>	 <u>205,822</u>
 Expenses		
Personnel	62,539	149,491
Office	60,185	21,306
Programs and events	64,090	18,142
Leadership	<u>1,819</u>	<u>504</u>
 Total expenses	 <u>188,633</u>	 <u>189,443</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ 31,169</u>	 <u>\$ 16,379</u>

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For the Years Ended December 31, 2022 and 2021

Network of Women Ministers

Revenues	2022	2021
Network - UMF	\$ 7,200	\$ 4,926
Training/Development funds	2,800	3,571
Other income	<u>60</u>	<u>65</u>
 Total revenues	 <u>10,060</u>	 <u>8,562</u>
 Expenses		
Office	169	774
Programs and events	<u>1,294</u>	<u>875</u>
 Total expenses	 <u>1,463</u>	 <u>1,649</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ 8,597</u>	 <u>\$ 6,913</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Second Half Ministry

Revenues	2022	2021
Network - UMF	\$ 21,333	\$ 13,136
Other income	13,374	9,195
Programs and events	5,031	8,271
Training/Development funds	<u>5,000</u>	<u>8,364</u>
 Total revenues	 <u>44,738</u>	 <u>38,966</u>
 Expenses		
Personnel	14,400	10,800
Office	4,251	3,317
Programs and events	<u>18,464</u>	<u>11,408</u>
 Total expenses	 <u>37,115</u>	 <u>25,525</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ 7,623</u>	 <u>\$ 13,441</u>

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**SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Young Ministers

Revenues	2022	2021
Network - UMF	\$ 7,200	\$ 7,663
Training/Development funds	2,800	3,571
Programs and events	<u>700</u>	<u>-</u>
Total revenues	<u>10,700</u>	<u>11,234</u>
 Expenses		
Programs and events	6,789	1,994
Office	<u>9</u>	<u>-</u>
Total expenses	<u>6,798</u>	<u>1,994</u>
Excess (deficiency) of revenues over expenses	<u>\$ 3,902</u>	<u>\$ 9,240</u>

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SOUTHERN CALIFORNIA DISTRICT COUNCIL ASSEMBLIES OF GOD, INC.
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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Missions

Revenues	2022	2021
Network - Tithe	\$ 258,596	\$ 260,236
Transfer in funds	57,610	34,212
Other income	1,661	2,304
Programs and events	<u>65,157</u>	<u>9,330</u>
Total revenues	<u>383,024</u>	<u>306,082</u>
 Expenses		
Personnel	114,628	114,845
Office	3,343	3,408
Programs and events	161,091	118,436
Conferences	14,458	8,961
Other	<u>9,453</u>	<u>2,823</u>
Total expenses	<u>302,973</u>	<u>248,473</u>
Excess (deficiency) of revenues over expenses	<u>\$ 80,051</u>	<u>\$ 57,609</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Compassion - City Serve

Revenues	2022	2021
Other income	\$ <u>13,628</u>	\$ <u>14,788</u>
Total revenues	<u>13,628</u>	<u>14,788</u>
Expenses		
Programs and events	<u>163</u>	<u>1,159</u>
Total expenses	<u>163</u>	<u>1,159</u>
Excess (deficiency) of revenues over expenses	<u>\$ 13,465</u>	<u>\$ 13,629</u>

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For the Years Ended December 31, 2022 and 2021

Annual Missions Project

Revenues	2022	2021
Network - Merit funds	\$ 114,883	\$ -
Other income	<u>707,923</u>	<u>438,090</u>
Total revenues	<u>822,806</u>	<u>438,090</u>
 Expenses		
Office	1,048	556
Programs and events	<u>664,458</u>	<u>322,651</u>
Total expenses	<u>665,506</u>	<u>323,207</u>
Excess (deficiency) of revenues over expenses	<u>\$ 157,300</u>	<u>\$ 114,883</u>

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COMBINED SUPPLEMENTAL STATEMENTS OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)

For the Years Ended December 31, 2022 and 2021

Church Planting

Revenues	2022	2021
Network - Tithe	\$ 52,198	\$ 52,529
Transfer in funds	<u>74,400</u>	<u>72,519</u>
Total revenues	<u>126,598</u>	<u>125,048</u>
 Expenses		
Office	1,991	1,573
Programs and events	48,465	42,482
Other expenses	<u>76,142</u>	<u>66,592</u>
Total expenses	<u>126,598</u>	<u>110,647</u>
Excess (deficiency) of revenues over expenses	<u>\$ -</u>	<u>\$ 14,401</u>

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For the Years Ended December 31, 2022 and 2021

NA Church Oversight

Revenues	2022	2021
Network - Tithes	\$ <u>23,661</u>	\$ <u>17,912</u>
Total revenues	<u>23,661</u>	<u>17,912</u>
 Expenses		
Office	11,335	3,470
Other expenses	2,713	2,614
Programs and events	<u>550</u>	<u>618</u>
Total expenses	<u>14,598</u>	<u>6,702</u>
Excess (deficiency) of revenues over expenses	<u>\$ 9,063</u>	<u>\$ 11,210</u>

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For the Years Ended December 31, 2022 and 2021

Church Planting Grants

Revenues	2022	2021
Network - Tithe	\$ 139,000	\$ 140,000
Other income	<u>-</u>	<u>100,000</u>
Total revenues	<u>139,000</u>	<u>240,000</u>
Expenses		
Programs and events	<u>139,000</u>	<u>240,000</u>
Total expenses	<u>139,000</u>	<u>240,000</u>
Excess (deficiency) of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

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For the Years Ended December 31, 2022 and 2021

Pinecrest Conference Center

Revenues	2022	2021
Camp fees	\$ 2,522,419	\$ 669,459
Condos	471,877	192,035
Grant income - PPP	-	120,047
Other income	<u>249,023</u>	<u>54,480</u>
 Total revenues	 <u>3,243,319</u>	 <u>1,036,021</u>
 Expenses		
Personnel	1,557,931	659,583
Office expenses	83,410	65,201
Building operations	695,419	560,522
Camper's direct expenses	997,337	285,544
Other expense	112,585	121,265
Depreciation	<u>348,242</u>	<u>381,356</u>
 Total expenses	 <u>3,794,924</u>	 <u>2,073,471</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ (551,605)</u>	 <u>\$ (1,037,450)</u>

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For the Years Ended December 31, 2022 and 2021

NorCal Ministers Insurance

Revenues	2022	2021
Transfer in funds	\$ -	\$ 18,435
Insurance premiums	<u>78,634</u>	<u>78,203</u>
Total revenues	<u>78,634</u>	<u>96,638</u>
 Expenses		
Programs and events	<u>77,054</u>	<u>73,567</u>
Total expenses	<u>77,054</u>	<u>73,567</u>
Excess (deficiency) of revenues over expenses	<u><u>\$ 1,580</u></u>	<u><u>\$ 23,071</u></u>

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For the Years Ended December 31, 2022 and 2021

SoCal Ministry Vision Funds

Revenues	2022	2021
CEP - Transfer in	\$ 815,924	\$ 1,021,239
Regional Refunds	-	6,092
Empower/ Acts 2	<u>-</u>	<u>6,934</u>
 Total revenues	 <u>815,924</u>	 <u>1,034,265</u>
 Expenses		
Vanguard University	39,700	294,325
Church Health Journey	11,129	17,186
Acts 2/Round Table/Church Boom	59,407	30,686
Reach/ Resources	35,311	30,902
Intercultural	16,893	17,790
Regional/Presbytery Leadership	<u>414,060</u>	<u>393,006</u>
 Total expenses	 <u>576,500</u>	 <u>783,895</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ 239,424</u>	 <u>\$ 250,370</u>

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