

ARIEL MINISTRIES
FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2020
TOGETHER WITH ACCOUNTANTS' REVIEW REPORT

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Accountants' Report

The Board of Directors of
ARIEL MINISTRIES;

We have reviewed the accompanying statement of financial position of Ariel Ministries (a nonprofit organization) as of December 31, 2019 and 2020 and the related statements of activities, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to company personnel's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly we do not express such an opinion.

Company personnel are responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with "Statement on Standards for Accounting and Review Services" issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

John S DeLee, CPA

John S. DeLee, CPA
September 16, 2021

ARIEL MINISTRIES

Statement of Financial Position

12/31/2019 AND 12/31/2020

ASSETS	2019	2020
Current assets-		
Cash in banks	\$ 490,757	\$ 959,971
Receivables	2,295	-
Inventory	52,692	57,888
Total current assets	545,744	1,017,859
Property and equipment-		
Land	381,140	516,972
Buildings and improvements	3,784,288	3,784,288
Equipment and furnishings	405,499	405,499
Accumulated depreciation	(2,109,853)	(2,223,879)
Net property	2,461,074	2,482,880
Total assets	\$ 3,006,818	\$ 3,500,739
 LIABILITIES AND NET ASSETS		
Current liabilities-		
Payables and accrued expenses	\$ 20,968	\$ 33,869
Total current liabilities	20,968	33,869
Payroll Protection Plan liability		164,500
Net Assets-		
Without donor restrictions		
Expended on fixed assets	2,461,074	2,482,880
Other	524,776	819,490
Total net assets	2,985,850	3,302,370
Total liabilities and net assets	\$ 3,006,818	\$ 3,336,239

The accompanying notes are an intergal part of these financial statements.

ARIEL MINISTRIES
Statement of Activities for the year ended
12/31/2019 AND 12/31/2020

2019

2020

Change in net assets without donor restrictions:

Revenues

Donations	\$ 1,648,549	\$ 1,947,565
Program Income (publications, materials, camps and tours, etc)	466,435	412,518
Sale of assets		2,124
Investment income	364	1,106
Total revenues	2,115,348	2,363,313

Expenses-

Program	1,843,373	1,547,704
General and administrative	358,691	443,140
Fundraising	128,651	55,948
Total expenses	2,330,715	2,046,792

Change in net assets	(215,367)	316,520
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Net assets at beginning of year	3,201,217	2,985,850
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	\$ 2,985,850	\$ 3,302,370
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Net assets at end of year

The accompanying notes are an intergal part of these financial statements.

ARIEL MINISTRIES
Statement of Functional Expenses for the Year Ended
December 31,
2020

	TOTAL	PROGRAM	GENERAL & ADMIN	FUND RAISING
Compensation and benefits	\$ 1,158,681	\$ 816,544	\$ 293,464	\$ 48,673
Program and production expenses	230,640	230,640	-	-
Occupancy	55,258	46,397	7,437	1,424
Travel, meals and conferences	81,947	68,835	13,112	-
Insurance	34,186	25,431	8,755	-
Other expenses	372,054	245,831	120,372	5,851
Depreciation and amortization	114,026	114,026	-	-
	\$ 2,046,792	\$ 1,547,704	\$ 443,140	\$ 55,948

2019				
	TOTAL	PROGRAM	GENERAL & ADMIN	FUND RAISING
Compensation and benefits	\$ 1,268,672	\$ 916,678	\$ 294,899	\$ 57,094
Program and production expenses	298,489	298,489	-	-
Occupancy	142,099	122,316	19,405	377
Travel, meals and conferences	124,450	93,337	6,222	24,890
Insurance	27,578	24,448	3,131	-
Other expenses	351,017	269,693	35,034	46,290
Depreciation and amortization	118,411	118,411	-	-
	\$ 2,330,715	\$ 1,843,373	\$ 358,691	\$ 128,651

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

ARIEL MINISTRIES
Notes to Financial Statements
December 31, 2019 and 2020

Significant Accounting Policies

The accompanying financial statements of the Ariel Ministries (a Texas Not-For-Profit Corporation) have been prepared on the accrual basis of accounting. Contributions are recorded when received unless susceptible to accrual.

Restricted accounts have been established to account for those resources available for use, but expendable only for the purposes specified by the donor. When restricted resources are expended in the same period the donation is recognized, such transactions are reflected as income and expenditures in the net changes in unrestricted net assets.

Organizational Status

Ariel Ministries in existence since 1977 was formed in order to evangelize Jewish people and to disciple both Jewish and Gentile Believers through intensive Bible teaching from a Jewish perspective. Operations include the preparing and distribution of Christian literature and witnessing and preaching the Gospel to the Jewish community.

Federal Income Tax Status

Ariel Ministries is an exempt organization for Federal income tax purposes under Section 501 (c) (3).

Cash and Cash Equivalents

For purposes of the statement of cash flows all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Self constructed assets and capitalized interest

In accordance with generally accepted accounting principles the ministry records the costs of self-constructed assets including labor, materials and interest costs. No internal costs were capitalized during 2019 or 2020 as the ministry's camp costs is carried at an amount equal to the value that can be realized through its use or ultimate disposal.

Donated property

In accordance with generally accepted accounting principles, donations of materials are valued at fair value when received; however, donated services of volunteers are not recorded as there is no objective basis to measure the value of these services.

Depreciation

Depreciation for financial statements and tax purposes is recorded on property based upon average useful lives of 3 to 7 years for equipment and 27.50 to 39 years for buildings and improvements. Fully depreciated assets are written off against the reserve for depreciation from time to time.

PPP Loan

Ariel Ministries received COVID 19 pandemic assistance in the form of a loan from a bank under the federal Paycheck Protection Program (PPP Loan) in April 2020 in the amount of \$164,500. Under the terms of the PPP Loan forgiveness was received in January 2021. In 2021 this forgiveness will be recognized as additional nontaxable income.