

ARIEL MINISTRIES
FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2019
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, 2018 and 2019 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
April 7, 2020

ARIEL MINISTRIES

Statement of Financial Position

12/31/2018 AND 12/31/2019

ASSETS	2018	2019
Current assets-		
Cash in banks	\$ 611,022	\$ 490,757
Receivables	7,695	2,295
Inventory	52,692	52,692
Prepaid expenses	-	
Total current assets	671,409	545,744
Property and equipment-		
Land	381,141	381,140
Buildings and improvements	3,784,288	3,784,288
Equipment and furnishings	405,498	405,499
Accumulated depreciation	(1,991,442)	(2,109,853)
Net property	2,579,485	2,461,074
Total assets	\$ 3,250,894	\$ 3,006,818
LIABILITIES AND NET ASSETS		
Current liabilities-		
Payables and accrued expenses	\$ 2,507	20,968
Current portion of long term debts	47,170	-
Total current liabilities	49,677	20,968
Net Assets-		
Without donor restrictions		
Expended on fixed assets	2,485,145	2,461,074
Other	716,072	524,776
Total net assets	3,201,217	2,985,850
Total liabilities and net assets	\$ 3,250,894	\$ 3,006,818

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

ARIEL MINISTRIES
Statement of Activities for the year ended
12/31/2018 AND 12/31/2019

	2018	2019
Change in net assets without donor restrictions:		
Revenues		
Donations	\$ 1,666,919	\$ 1,648,549
Program Income (publications, materials, camps and tours, etc)	549,048	466,435
Investment income	357	364
Total revenues	<u>2,216,324</u>	<u>2,115,348</u>
Expenses-		
Program	1,973,384	1,843,373
General and administrative	323,287	358,691
Fundraising	158,795	128,651
Total expenses	<u>2,455,466</u>	<u>2,330,715</u>
Change in net assets	<u>(239,142)</u>	<u>(215,367)</u>
Net assets at beginning of year	<u>3,440,359</u>	<u>3,201,217</u>
Net assets at end of year	<u><u>\$ 3,201,217</u></u>	<u><u>\$ 2,985,850</u></u>

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

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

	2018			
	TOTAL	PROGRAM	GENERAL & ADMIN	FUND RAISING
Compensation and benefits	1,147,862	827,554	233,589	86,719
Program and production expenses	340,691	340,691	-	-
Occupancy	252,499	245,671	6,828	-
Travel, meals and conferences	140,872	84,523	21,131	35,218
Insurance	56,494	45,196	11,298	-
Other expenses	397,213	309,914	50,441	36,858
Depreciation and amortization	119,835	119,835	-	-
	\$ 2,455,466	\$ 1,973,384	\$ 323,287	\$ 158,795

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

ARIEL MINISTRIES
Statement of Cashflows for the year ended
12/31/2018 and 12/31/2019

	2018	2019
Cash flows from operating activities:		
Change in net assets for year	<u>\$ (239,142)</u>	<u>\$ (215,367)</u>
Adjustments to reconcile net change in assets to net cash provided by operating activities:		
Depreciation and amortization	119,835	118,411
Decrease(increase) in receivables	5,400	5,400
Decrease(increase) in inventory	(23,132)	-
Increase (decrease) in payables	(1,363)	18,462
Total adjustments	<u>100,740</u>	<u>142,273</u>
Net cash provided (used) by operating activities	<u>(138,402)</u>	<u>(73,094)</u>
Investing activities		
Cash used to purchase fixed assets	<u>(65,153)</u>	-
Total investing activities	<u>(65,153)</u>	-
Financing activities		
Payments on long term debts	<u>(46,349)</u>	<u>(47,170)</u>
Total financing activities	<u>(46,349)</u>	<u>(47,170)</u>
Cash at beginning of year	<u>860,926</u>	<u>\$ 611,022</u>
Cash at end of year	<u>\$ 611,022</u>	<u>\$ 490,757</u>

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

ARIEL MINISTRIES
Notes to Financial Statements
December 31, 2018 and 2019

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 2018 or 2019 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.