

**THE ROCKY MOUNTAIN DISTRICT COUNCIL
OF THE ASSEMBLIES OF GOD, INC.
DBA ROCKY MOUNTAIN MINISTRY NETWORK**

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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Independent Auditors' Report

Board of Presbyters
Rocky Mountain District Council of the Assemblies of God, Inc.
dba Rocky Mountain Ministry Network
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of Rocky Mountain District Council of the Assemblies of God, Inc. dba Rocky Mountain Ministry Network (a Colorado nonprofit organization), which comprise the statement of assets and net assets - cash basis as of December 31, 2023, and the related statement of cash receipts and disbursements - cash basis 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 assets and net assets of Rocky Mountain District Council of the Assemblies of God, Inc. dba Rocky Mountain Ministry Network as of December 31, 2023, and its cash receipts and disbursements for the year then ended in accordance with the cash basis of accounting as described in Note 1.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rocky Mountain District Council of the Assemblies of God, Inc. dba Rocky Mountain Ministry Network 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in

the circumstances. Management is also responsible 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.

Auditors' 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 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 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 Rocky Mountain District Council of the Assemblies of God, Inc. dba Rocky Mountain Ministry 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rocky Mountain District Council of the Assemblies of God, Inc. dba Rocky Mountain Ministry Network 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.

The Adams Group, LLC

March 5, 2024
Denver, Colorado

THE ROCKY MOUNTAIN DISTRICT COUNCIL
OF THE ASSEMBLIES OF GOD, INC.
DBA ROCKY MOUNTAIN MINISTRY NETWORK
STATEMENT OF ASSETS AND NET ASSET BALANCES - CASH BASIS

December 31,	2023
<u>Assets</u>	
Cash and cash equivalents	\$ 1,446,080
Restricted cash	15,252
Investments	<u>1,628,230</u>
Total Assets	<u>\$ 3,089,562</u>
<u>Net Assets</u>	
Without donor restriction	<u>\$ 3,089,562</u>

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

THE ROCKY MOUNTAIN DISTRICT COUNCIL
OF THE ASSEMBLIES OF GOD, INC.
DBA ROCKY MOUNTAIN MINISTRY NETWORK
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS

	Without Donor Restriction
For the Year Ended December 31,	2023
Cash receipts	\$ 4,190,276
Cash disbursements	2,728,896
Cash receipts over (under) cash disbursements	1,461,380
Net assets - beginning of year	1,628,182
Net assets - end of year	\$ 3,089,562

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

THE ROCKY MOUNTAIN DISTRICT COUNCIL OF THE ASSEMBLIES
OF GOD, INC. DBA ROCKY MOUNTAIN MINISTRY NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Rocky Mountain District Council of the Assemblies of God, Inc. dba Rocky Mountain Ministry Network (RMMN) began on March 1, 1918, under the name The Colorado State Council of the Assemblies of God. It was established for the purpose of providing a formal organization for Churches and ministers who desired affiliation with the General Council of the Assemblies of God. In August 1923, the District was called the Intermountain District Council and in the summer of 1924 the name reverted to The Colorado State Council. Subsequently, on August 24, 1926, the states of Wyoming and Utah were added to the District and the name was changed to The Rocky Mountain District Council of the Assemblies of God. The District incorporated as a Colorado corporation on January 26, 1932. In 1949, Wyoming seceded and fanned a separate District leaving the states of Colorado and Utah as The Rocky Mountain District Council of the Assemblies of God. On April 21, 2015, The Rocky Mountain District Council of the Assemblies of God in Session approved a resolution adopting the 'doing business as' name of 'Rocky Mountain Ministry Network of the Assemblies of God.' The Council also approved a second resolution changing the title of Superintendent to 'Superintendent aka: Network Pastor.

The accompanying financial statements include only the cash receipts and disbursements of funds handled by RMMN office. Such funds include the General Tithe Fund and funds for various departments.

Income Taxes

RMMN is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Colorado state law, and contributions to it are deductible within the limitations prescribed by the Code. The Church has been classified as a publicly supported organization which is not a private foundation under section 509(a) of the Code. The Church did not have any material unrelated business income tax liability or uncertain income tax positions for the year ended December 31, 2023. The Church is generally no longer subject to examination by the Internal Revenue Service for years before 2020.

Basis of Accounting

RMMN's policy is to prepare its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under that basis, the only assets recognized are cash and investments, and no receivables or liabilities are recognized in the financial statements. All transactions are recognized as either cash receipts or disbursements. Cash receipts are recognized when received rather than when earned, and cash disbursements are recognized when paid rather than when the obligation is incurred. Noncash transactions are not recognized in the financial statements. Under the cash basis, RMMN has elected to omit the presentation of expenses on a functional basis.

THE ROCKY MOUNTAIN DISTRICT COUNCIL OF THE ASSEMBLIES
OF GOD, INC. DBA ROCKY MOUNTAIN MINISTRY NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (continued)

The significant differences between cash basis and GAAP in RMMN's financial statements are:

- Property and equipment. Under GAAP, the cost of property and equipment is reflected as an asset and depreciated over the estimated useful life. The estimated cost of property and equipment was approximately \$1,153,000 as of December 31, 2023.
- Equipment leases. Under GAAP, a right-of-use asset and lease liability is recorded and amortized over the lease term as payments are made. The estimated value of the right-of-use asset and lease liability was approximately \$4,100 as of December 31, 2023.
- Loans. Under GAAP, loans are reflected as a liability and reduced as principal payments are made. As of December 31, 2023, RMMN had vehicle loans with a total outstanding principal balance of approximately \$53,000

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less, including certificates of deposits, and excluding assets whose use is limited. At times operational cash needs will result in cash balances in excess of insured limits. RMMN is selective in choosing financial institutions with which to maintain accounts.

A District Church drew debt from A.G. Financial Solutions that matures in February 2030. The A.G. Foundation 30 Day Demand money market account held by RMMN is the collateral for the debt. The entire balance is restricted as of December 31, 2023.

Investments

Investments consist of certificates of deposit with interest rates ranging from 1.38% to 6.25% and are held at the AG Loan Fund and the Church Extension Plan, an Assemblies of God organizations and are valued based on the cost basis.

Classes of Net Assets

The financial statements report amounts separately by class of net assets.

Amounts Without Donor Restriction are those currently available at the discretion of the Board for use in RMMN's exempt purpose and those resources invested in property and equipment. Amounts With Donor Restriction are those which are restricted by donors for specific purposes or with a stipulated time restriction.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

THE ROCKY MOUNTAIN DISTRICT COUNCIL OF THE ASSEMBLIES
OF GOD, INC. DBA ROCKY MOUNTAIN MINISTRY NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The financial statements and related disclosures include evaluation of events up to and including March 5, 2024, which is the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY OF RESOURCES AND AVAILABILITY

RMMN's financial assets available within one year for general expenditure as of December 31, 2023 are as follows:

Financial Assets:	
Cash and cash equivalents	\$ 1,461,332
Investments	1,628,230
	<u>3,089,562</u>
Less those unavailable for general expenditure within on year, due to:	
Account being held for collateral	15,252
Investments with a maturity date more than 12 months from the financial statement date	<u>20,000</u>
Available for general expenditure	<u><u>\$ 3,054,310</u></u>

As part of RMMN's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 3 - RETIREMENT PLAN

RMMN contributes 7.65% of each eligible employee's salary, employed at the District office, to the Minister's Benefit Association (an Assemblies of God entity). Eligible employees may elect to make additional contributions. Retirement plan contributions, including participating RMMN MBA enrolled ministers, for the year ended December 31, 2023 were \$119,888.

NOTE 4 - RELATED PARTY TRANSACTIONS

RMMN had related party transactions with the General Council of the Assemblies of God (General Council). The General Council periodically pays RMMN an administrative fee or reimburses RMMN for expenses incurred that benefited the national office. All ministers through RMMN also pay monthly dues to the General Council. Amounts received from and paid to the General Council for the year ended December 31, 2023 were \$47,043 and \$177,610.

THE ROCKY MOUNTAIN DISTRICT COUNCIL OF THE ASSEMBLIES
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - RELATED PARTY TRANSACTIONS (CONTINUED)

AG Financial, which is a subsidiary of the General Council, maintains the money market account and certificates of deposit. Amounts held with AG Financial as of December 31, 2023 is \$528,959.

District Churches have several transactions with RMMN, such as tithe and offerings and monies used for the purchase of property. The amount received by RMMN from District Churches for the year ended December 31, 2023 was \$302,572. Occasionally RMMN assists struggling Churches or Churches in need. The amount given to District churches for the year ended December 31, 2023 was \$37,390.

RMMN's superintendent is a member of the Board of Church Extension Plan (CEP) which issues Church builder certificates. The certificates are similar in purpose to U.S. Treasury Notes and are required by CEP when a local Church applies for a loan. RMMN holds Church builder certificates occasionally to assist Churches in their building program. Total amount held by CEP as of December 31, 2023 is \$1,079,271.