

The Gospel Coalition, Inc.
Deerfield, Illinois

Financial Statements
Independent Accountant's Review Report
For the Year Ended
December 31, 2016



CERTIFIED PUBLIC ACCOUNTANTS

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Carpenter Evert & Associates

Certified Public Accountants
7760 France Avenue S. Suite 940 Bloomington Minnesota 55435
952.831.0085 carpenterevert.com

Independent Accountant's Review Report

Board of Directors
The Gospel Coalition, Inc.
Deerfield, Illinois

We have reviewed the accompanying financial statements of The Gospel Coalition, Inc. which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and changes in net assets, functional expense and cash flows for the year then ended. A review includes primarily applying analytical procedures to management'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 as a whole. Accordingly, we do not express such opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United State of America.

Carpenter Evert and Associates, Ltd.

Certified Public Accountants

Minneapolis, Minnesota
July 8, 2017

THE GOSPEL COALITION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue:			
Contributions	\$ 1,328,362	\$ 216,384	\$ 1,544,746
Conference Revenue	1,388,955	-	1,388,955
Other Income	287,900	-	287,900
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	216,384	(216,384)	-
Total Support and Revenue	<u>3,221,601</u>	<u>-</u>	<u>3,221,601</u>
Expense:			
Program Services	2,391,153	-	2,391,153
Support Services:			
Management and General	347,130	-	347,130
Fundraising	135,499	-	135,499
Total Support Services	<u>482,629</u>	<u>-</u>	<u>482,629</u>
Total Expense	<u>2,873,782</u>	<u>-</u>	<u>2,873,782</u>
Change in Net Assets	347,819	-	347,819
Net Assets - Beginning of Year	<u>1,853,103</u>	<u>-</u>	<u>1,853,103</u>
Net Assets - End of Year	<u>\$ 2,200,922</u>	<u>\$ -</u>	<u>\$ 2,200,922</u>

See accompanying Notes to Financial Statements
and Independent Accountant's Review Report.

THE GOSPEL COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2016

	Total Program Services	Support Services		Total Support Services	Total All Services
		Management & General	Fund- raising		
Salaries	\$ 773,454	\$ 54,790	\$ 84,925	\$ 139,715	\$ 913,169
Employee Benefits	239,740	16,983	26,323	43,306	283,046
Payroll Taxes	62,528	4,429	6,865	11,294	73,822
Total Personnel Costs	<u>1,075,722</u>	<u>76,202</u>	<u>118,113</u>	<u>194,315</u>	<u>1,270,037</u>
Professional Fees and Contract Services	439,456	73,272	-	73,272	512,728
Conferences and Projects	478,285	-	-	-	478,285
TGC International	250,722	-	-	-	250,722
Staff Travel and Development	71,230	71,230	-	71,230	142,460
Information and Technology	64,236	64,236	-	64,236	128,472
Other	-	27,250	-	27,250	27,250
Business Expenses	-	23,439	-	23,439	23,439
Office Expenses	11,502	11,501	-	11,501	23,003
Advancement Expenses	-	-	17,386	17,386	17,386
Total Expense	<u>\$ 2,391,153</u>	<u>\$ 347,130</u>	<u>\$ 135,499</u>	<u>\$ 482,629</u>	<u>\$ 2,873,782</u>

See accompanying Notes to Financial Statements
and Independent Accountant's Review Report.

THE GOSPEL COALITION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

Current Assets:	
Cash	\$ 2,229,776
Accounts Receivable	274
Total Current Assets	<u>2,230,050</u>
Property and Equipment - Net	<u> </u>
TOTAL ASSETS	<u>\$ 2,230,050</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ 29,128
Total Current Liabilities	<u>29,128</u>
Net Assets - Unrestricted	<u>2,200,922</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,230,050</u>

See accompanying Notes to Financial Statements
and Independent Accountant's Review Report.

THE GOSPEL COALITION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

Increase (Decrease) in Cash

Cash Flows from Operating Activities:

Change in Net Assets	\$ 347,819
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Increases (Decreases) in Current Liabilities:	
Accounts Payable	<u>8,680</u>
Net Cash Provided by Operating Activities	<u>356,499</u>

Cash Flows from Investing Activities:

None

Cash Flows from Financing Activities:

None

Net Increase in Cash

356,499

Cash - Beginning of Year

1,873,277

Cash - End of Year

\$ 2,229,776

See accompanying Notes to Financial Statements
and Independent Accountant's Review Report.

THE GOSPEL COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. Summary of Significant Accounting Policies

Organizational Purpose

The Gospel Coalition, Inc. (TGC) is a fellowship of evangelical churches deeply committed to renewing our faith in the gospel of Christ and to reforming our ministry practices to conform fully to the Scriptures. We exist to promote gospel-centered ministry in the church and in the Christian life. We aim to do these things by providing free resources on our website, by hosting national and regional conferences, by producing a free theological journal and through our online community of churches and individuals.

TGC is incorporated under the laws of the State of Illinois as a not-for-profit organization within the meaning of Section 501(c)(3) of the Internal Revenue Code, classified as a publicly supported organization, which is not a private foundation under Section 509(a). It is exempt from federal and state income taxes and contributions by the general public are deductible for income tax purposes.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the TGC, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Unrestricted Net Assets – Net assets which are neither permanently nor temporarily restricted by donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment are reported as unrestricted net assets.

Temporarily Restricted Net Assets – The part of net assets of the TGC resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions pursuant to those stipulations.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the TGC considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

THE GOSPEL COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Doubtful Accounts

The TGC extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and the TGC does not charge interest on accounts receivable balances. The TGC reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. No allowance for doubtful accounts has been provided as accounts and grants receivable are considered collectable.

Property and Equipment

Property and equipment in excess of \$1,000 are recorded at cost if purchased, or an estimated market value if donated. Depreciation is provided through the use of the straight-line method over the useful lives of the assets acquired.

Contributions

Contributions are recorded when received and recognized as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as temporarily or permanently restricted until the donor-imposed restrictions expire or are fulfilled. Temporarily restricted net assets are reclassified to unrestricted in the period donor-imposed restrictions expire or are fulfilled, and are reported in the Statements of Activities under the Support and Revenue Category – Net Assets Released from Restrictions.

Promises-To-Give (Grants Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Government Grants and Contracts

Government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the TGC will record such disallowance at the time the final assessment is made.

THE GOSPEL COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expense

Salaries and related expenses are allocated on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, that are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax

The TGC has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The TGC's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The TGC continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible.

Subsequent Events

The TGC has evaluated the effect that subsequent events would have on the financial statements through July 8, 2017, which is the date financial statements were available to be issued.

2. Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At December 31, 2016, TGC held funds at a financial institution in excess of federally insured limits.

THE GOSPEL COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

3. Property and Equipment

The TGC owned the following as of December 31, 2016:

		<u>Estimated Useful Lives</u>
Equipment	\$ 1,671	5 years
Less Accumulated Depreciation	<u>1,671</u>	
	<u>\$ -</u>	

Depreciation expense of \$-0- was recorded for the year ended December 31, 2016.

4. Pension Plan

The TGC maintains a Simple IRA Plan that covers those employees who meet eligibility requirements. Contributions of \$70,160 were made in the year ended December 31, 2016.