

**THE TRINITY FORUM, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

THE TRINITY FORUM, INC.

TABLE OF CONTENTS

	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash flows	6
Notes to Financial Statements	7



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Trinity Forum, Inc.

We have audited the accompanying financial statements of The Trinity Forum, Inc. (not for profit), which comprise the statement of financials position of December 31, 2018 and the related statement of activities, functional expenses and cash flow for the year then ended, and the related notes to the financial statements.

### **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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and

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fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Trinity Forum, Inc. as of December 31, 2018, and the changes in its fund balance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Williams, Weiss, Hester & Co., PLLC*

Jackson, Mississippi  
August 13, 2019

THE TRINITY FORUM, INC.

STATEMENTS OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2018

ASSETS

ASSETS

Cash	\$ 310,718
Prepaid expenses	9,949
Inventory	168,928
Property and equipment, net	<u>17,554</u>
Total assets	<u>\$ 507,149</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	<u>\$ 15,780</u>
Total liabilities	<u>\$ 15,780</u>

NET ASSETS

Without donor restriction	381,369
With donor restriction	<u>110,000</u>
Total net assets	<u>491,369</u>

Total liabilities and net assets	<u>\$ 507,149</u>
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See the accompanying notes to financial statements.

THE TRINITY FORUM, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:	
Revenues and gains:	
Contributions	\$ 950,594
Sales of products	55,724
Events	45,623
Dues	3,125
Foundation grants	135,621
Rent	20,995
Other	4,430
Total revenues and gains	
Without donor restrictions	<u>1,216,112</u>
EXPENSES	
Salaries and benefits	548,307
Events	274,035
Publications	104,838
Communication	44,199
Rent	87,668
Office expense	63,697
Fundraising	14,700
Professional services	44,381
Travel	20,873
Total expenses	<u>1,202,698</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>13,414</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	
Contributions	<u>110,000</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>110,000</u>
INCREASE (DECREASE) IN TOTAL NET ASSETS	123,414
NET ASSETS, BEGINNING OF YEAR	<u>367,955</u>
NET ASSETS, END OF YEAR	<u>\$ 491,369</u>

See the accompanying notes to financial statements.

THE TRINITY FORUM, INC.

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Service</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Benefits	\$ 466,061		\$ 82,246	\$ 548,307
Events	232,930		41,105	274,035
Publications	89,112		15,726	104,838
Communications	37,569		6,630	44,199
Rent	74,518		13,150	87,668
Office Expense	54,142		9,555	63,697
Fundraising		14,700		14,700
Professional Services	37,724		6,657	44,381
Travel	17,742		3,131	20,873
	<u>\$1,009,798</u>	<u>\$14,700</u>	<u>\$178,200</u>	<u>\$1,202,698</u>

See the accompanying notes to financial statements.

THE TRINITY FORUM, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	<u>\$ 123,414</u>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	1,919
Changes in operating assets and liabilities	
Prepaid expenses	(493)
Inventory	(1,373)
Accounts payable and accrued expenses	<u>(1,965)</u>
Net cash provided by (used in) operating activities	<u>121,502</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(17,360)</u>
Net cash provided by (used in) investing activities	<u>(17,360)</u>
Net increase (decrease) in cash	104,142
CASH AT BEGINNING OF YEAR	<u>206,576</u>
CASH AT END OF YEAR	<u>\$ 310,718</u>

See the accompanying notes to financial statements.

THE TRINITY FORUM, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION DATA

The Trinity Forum, Inc, (the "Forum") was organized in Virginia in 1991 to encourage and assist national leaders to deepen, integrate, and apply their faith in their private and public lives throughout the United States of America. The principal means by which the Trinity Forum pursues its purposes is through the development of curricula, the holding of forums, and the development and publication of educational materials.

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

FINANCIAL STATEMENT PRESENTATION

The Forum follows the Financial Accounting Standards Board's Accounting Standards Codification (ASC) No. 958 - 205. Under ASC 958 - 205, the Forum is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Forum has no temporarily or permanently restricted net assets.

TAX STATUS

The Trinity Forum, Inc. is exempt from taxation under Internal Revenue Code Section 501(c)(3) on income related to its tax-exempt purpose. The Forum had no unrelated business income, as defined by the Internal Revenue Code, during the year ended December 31, 2018. The Forum has open 2016, 2017 and 2018 years subject to examination by the Internal Revenue Service.

SUBSEQUENT EVENTS

The Company has evaluated subsequent events through August 13, 2019, the date the financial statements were issued.

THE TRINITY FORUM, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents. Restricted cash and cash equivalents are limited in use to payment of costs of constructing and operating a new facility and of a related capital campaign. Cash and short-term investments held in a bank money market account are reported as investments instead of cash because the Organization holds those funds as an endowment.

INVENTORIES

Inventories consist of tapes, CDs, books, readings, briefings, and curriculum materials. Inventories are stated at the lower of cost or market using the first-in, first-out inventory method.

PROPERTY AND EQUIPMENT

The Forum's policy is to capitalize all purchases whose life is greater than one year. Property and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the various classes of assets, as follows:

Vehicles	5 years
Furniture and equipment	3 - 5 years
Software	3 years

THE TRINITY FORUM, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

CONTRIBUTIONS AND REVENUE RECOGNITION

As promulgated by ASC No. 958 - 605, Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor-imposed restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Forum reports the support as unrestricted.

When a restriction expires, that is when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Revenue from sales of material and program service fees are recognized when earned. In the case of securities received from estates or as gifts, the securities are valued at their fair market value on the date received. Changes in market values are recorded as investment income.

CONTRIBUTED SERVICES

Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. The value of administrative and program volunteered time is not included in the financial statements because it does not meet the criteria for recognition.

THE TRINITY FORUM, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	<u>2018</u>
Furniture and equipment	\$152,714
Software	<u>60,980</u>
	213,694
Less accumulated depreciation	<u>196,140</u>
Property and equipment, net	17,554

Depreciation expense was \$1,919 for the year December 31, 2018.

NOTE 3 - RELATED PARTY

The following represents transactions with members of the Board of Trustees of the Forum and Trinity Forum Foundation:

CONTRIBUTIONS

Board of Trustee members contributed approximately \$251,000 to the Forum during the year ended December 31, 2018.

NOTE 4 - RETIREMENT PLAN

The Trinity Forum sponsors a retirement plan covering all eligible employees. Contributions are determined by the Trinity Forum each Plan Year and totaled \$15,607 for the year ended December 31, 2018.

THE TRINITY FORUM, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Forum's cash is deposited in a financial institution which is a member of the Federal Deposit Insurance Corporation (FDIC). The FDIC insures deposits up to \$250,000 in 2018 for each depositor at each institution. Based on bank account balances at December 31, 2018, the Company had not gone over the uninsured cash balance limits.

NOTE 6 - CONCENTRATIONS

Contributions are received from the general public and various foundations.

NOTE 7 - OPERATING LEASE

The Forum conducts its business from leased office space. The current lease agreement was signed on October 24, 2016. The lease term is for sixty six months and the base monthly rent is \$7,424.08. Each subsequent year rent expense will increase by 2.5% annually. Lease expense for the year ended December 31, 2018 was \$87,668.

The following is a summary of the future minimum lease payments required under the Forum's operating lease:

2019	\$ 91,316
2020	93,599
2021	95,939
2022	81,947
2023	
	<u>\$362,801</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

The Forum has assets with donor restrictions of \$110,000 for the year ended December 31, 2018.