



## TURNING POINT FOR GOD

Consolidated Financial Statements  
With Independent Auditors' Report

June 30, 2021 and 2020

# TURNING POINT FOR GOD

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Turning Point for God  
Lakeside, California

We have audited the accompanying consolidated financial statements of Turning Point for God, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 fair presentation of the consolidated 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 consolidated financial statements.

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

Board of Directors  
Turning Point for God  
Lakeside, California

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Turning Point for God, as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Colorado Springs, Colorado  
October 1, 2021

# TURNING POINT FOR GOD

## Consolidated Statements of Financial Position

	June 30,	
	2021	2020
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 20,278,812	\$ 9,211,001
Accounts receivable	177,208	90,379
Promises-to-give-net	248,000	910,407
Prepaid expenses and other assets	2,576,046	1,518,004
Inventory-net	4,534,837	4,688,282
	<u>27,814,903</u>	<u>16,418,073</u>
Promises-to-give receivable, net of current portion	892,000	984,174
Land held for investment	1,078,005	3,000,000
Life insurance cash surrender value	2,199,038	2,024,937
Property, equipment, and long-lived assets-net	<u>8,092,682</u>	<u>8,336,628</u>
Total Assets	<u>\$ 40,076,628</u>	<u>\$ 30,763,812</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 3,437,035	\$ 2,020,273
Accrued expenses and other liabilities	1,299,820	921,027
Long-term debt, current portion	314,949	1,311,502
	<u>5,051,804</u>	<u>4,252,802</u>
Long-term debt, net	<u>1,502,004</u>	<u>3,895,457</u>
	<u>6,553,808</u>	<u>8,148,259</u>
Net assets:		
Net assets without donor restrictions	30,638,102	19,842,341
Net assets with donor restrictions	2,884,718	2,773,212
	<u>33,522,820</u>	<u>22,615,553</u>
Total Liabilities and Net Assets	<u>\$ 40,076,628</u>	<u>\$ 30,763,812</u>

See notes to consolidated financial statements

# TURNING POINT FOR GOD

## Consolidated Statements of Activities

	Year Ended June 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND RECLASSIFICATIONS:</b>						
Contributions	\$ 78,845,427	\$ 1,707,351	\$ 80,552,778	\$ 64,719,368	\$ 2,383,285	\$ 67,102,653
Revenue:						
Sales, net of discounts	3,389,158	-	3,389,158	2,893,170	-	2,893,170
Special events	-	-	-	558,352	-	558,352
Forgiveness of Paycheck Protection Program loan	1,982,100	-	1,982,100	-	-	-
Interest, investment, and other	84,907	-	84,907	53,274	-	53,274
	5,456,165	-	5,456,165	3,504,796	-	3,504,796
Net assets released from:						
Satisfaction of program restrictions	1,595,845	(1,595,845)	-	1,230,859	(1,230,859)	-
Total Support, Revenue, and Reclassifications	85,897,437	111,506	86,008,943	69,455,023	1,152,426	70,607,449
<b>EXPENSES:</b>						
Program activities	63,819,746	-	63,819,746	55,452,432	-	55,452,432
	63,819,746	-	63,819,746	55,452,432	-	55,452,432

(continued)

See notes to consolidated financial statements

# TURNING POINT FOR GOD

## Consolidated Statements of Activities (continued)

	Year Ended June 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES, continued:						
Supporting activities:						
Fund-raising	7,490,295	-	7,490,295	6,036,449	-	6,036,449
General and administrative	3,791,635	-	3,791,635	4,955,040	-	4,955,040
	11,281,930	-	11,281,930	10,991,489	-	10,991,489
 Total Expenses	 75,101,676	 -	 75,101,676	 66,443,921	 -	 66,443,921
 Change in Net Assets	 10,795,761	 111,506	 10,907,267	 3,011,102	 1,152,426	 4,163,528
 Net Assets, Beginning of Year	 19,842,341	 2,773,212	 22,615,553	 16,831,239	 1,620,786	 18,452,025
 Net Assets, End of Year	 \$ 30,638,102	 \$ 2,884,718	 \$ 33,522,820	 \$ 19,842,341	 \$ 2,773,212	 \$ 22,615,553

See notes to consolidated financial statements

# TURNING POINT FOR GOD

## Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

	Ministries and Programs	Supporting Activities		Total
		General and Administrative	Fund-raising	
Product shipping and fulfillment costs	\$ 15,454,882	\$ 475,796	\$ 3,805,943	\$ 19,736,621
Television airtime and production costs	18,960,627	-	-	18,960,627
Salaries and benefits	9,470,427	2,051,119	2,535,417	14,056,963
Radio airtime and production	8,944,202	-	-	8,944,202
Office, IT, and occupancy	3,372,272	745,585	106,068	4,223,925
Professional services	3,443,458	123,095	647,771	4,214,324
Grants to others	2,172,099	-	-	2,172,099
Depreciation and amortization	1,001,931	104,103	39,271	1,145,305
Conferences, travel, and meetings	654,358	13,787	355,825	1,023,970
Insurance	131,963	253,702	-	385,665
Other	123,001	19,683	-	142,684
Interest	90,526	4,765	-	95,291
<b>Total expenses</b>	<b>\$ 63,819,746</b>	<b>\$ 3,791,635</b>	<b>\$ 7,490,295</b>	<b>\$ 75,101,676</b>

See notes to consolidated financial statements



# TURNING POINT FOR GOD

## Consolidated Statement of Functional Expenses

Year Ended June 30, 2020

	Ministries and Programs	Supporting Activities		Total
		General and Administrative	Fund-raising	
Product shipping and fulfillment costs	\$ 11,193,504	\$ 375,678	\$ 3,347,129	\$ 14,916,311
Television airtime and production costs	15,654,252	-	-	15,654,252
Salaries and benefits	8,412,533	1,825,359	1,998,981	12,236,873
Radio airtime and production	8,860,945	-	-	8,860,945
Office, IT, and occupancy	2,484,907	633,390	69,120	3,187,417
Professional services	2,213,374	71,972	199,058	2,484,404
Grants to others	365,006	-	-	365,006
Depreciation and amortization	965,203	99,053	37,228	1,101,484
Conferences, travel, and meetings	4,772,729	12,809	384,933	5,170,471
Insurance	116,029	224,601	-	340,630
Other	120,000	1,696,707	-	1,816,707
Interest	293,950	15,471	-	309,421
	<b>\$ 55,452,432</b>	<b>\$ 4,955,040</b>	<b>\$ 6,036,449</b>	<b>\$ 66,443,921</b>

See notes to consolidated financial statements

# TURNING POINT FOR GOD

## Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 10,907,267	\$ 4,163,528
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,145,305	1,101,484
Impairment on investments	-	450,000
Forgiveness of Paycheck Protection Program loan	(1,982,100)	-
Gain on sale of land held for investments	(246,430)	-
Gain on sale of property, equipment, and long-lived assets	(22,080)	-
Changes in operating assets and liabilities:		
Accounts receivable	(86,829)	(21,084)
Promises-to-give	754,581	2,876,706
Prepaid expenses and other assets	(1,058,042)	(262,108)
Inventory	153,445	(445,813)
Accounts payable	1,416,762	(3,691,031)
Accrued expenses and other liabilities	378,793	(160,754)
Net Cash Provided by Operating Activities	11,360,672	4,010,928
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property, equipment, and long-lived assets	(879,279)	(822,071)
Proceeds from sale of land held for investment	2,292,004	-
Purchases of equipment for land held for investment	(123,579)	-
Increase in life insurance cash surrender value	(174,101)	(179,302)
Net Cash Provided (Used) by Investing Activities	1,115,045	(1,001,373)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from long-term debt	-	6,798,643
Payments on long-term debt	(1,407,906)	(4,533,212)
Net Cash Provided (Used) in Financing Activities	(1,407,906)	2,265,431
Change in Cash and Cash Equivalents	11,067,811	5,274,986
Cash and Cash Equivalents, Beginning of Year	9,211,001	3,936,015
Cash and Cash Equivalents, End of Year	\$ 20,278,812	\$ 9,211,001
<b>NON-CASH TRANSACTIONS AND SUPPLEMENTAL DISCLOSURE:</b>		
Cash paid for interest	\$ 81,362	\$ 286,098
Property and equipment obtained through accounts payable	\$ 864,096	\$ 4,859
Paycheck Protection Program loan forgiveness	\$ 1,982,100	\$ -

See notes to consolidated financial statements

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

1. NATURE OF ORGANIZATION:

Turning Point for God (the Organization) was incorporated in 1984 in California as a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). It is also exempt from state income taxes. The Organization has been classified as a publicly supported organization, which is not a private foundation, under Section 509(a) of the Code. The primary source of revenue for the Organization is contributions, which are tax-deductible for income tax purposes.

The Organization is a religious organization dedicated to spreading the Gospel of Jesus Christ throughout the world through the use of radio, television, internet, mobile devices, and print. The Organization also offers Christian messages on CD's, DVD's, books, and related study materials as part of its exempt purpose. Substantially all of the above materials are produced by Dr. David Jeremiah, President and CEO of the Organization, who is also the senior pastor of Shadow Mountain Community Church.

Turning Point Ministries Foundation (the Foundation) was established to serve as a supporting organization to hold and invest assets on behalf of the Organization. Due to shared board members and economic control, this entity is required to be consolidated in the financial statements of Turning Point for God.

The Organization and the Foundation are collectively referred to as Turning Point in the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements of Turning Point have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The following summary of significant accounting policies are described below to enhance the usefulness of the consolidated financial statements to the reader.

### PRINCIPLES OF CONSOLIDATION

Due to board of directors composition, the Foundation is a controlled affiliate of the Organization. The consolidated financial statements of Turning Point include the consolidated financial resources and activities of the Organization and the Foundation. All significant intercompany balances and transactions have been eliminated.

### CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statements of financial position and cash flows, cash and cash equivalents include cash on hand, cash on deposit, and money market accounts. These accounts may, at times, exceed federally insured limits. Turning Point has not experienced any losses in such accounts. At June 30, 2021 and 2020, cash and cash equivalents on deposit at financial institutions that exceed federally insured balances total approximately \$20,828,000 and \$8,882,000, respectively.

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PROMISES-TO-GIVE

Promises-to-give are recognized as income when made unconditionally, and recorded at fair value based upon estimated future cash flows. Promises-to-give that are expected to be collected within one year are recorded at net realizable value. Promises-to-give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are expected to be received. Promises-to-give are reported net of allowances for uncollectible accounts.

#### INVENTORY

Inventory represents duplicated media, study guides, books, raw material supplies, and other Bible resources. All inventory is stated at the lower of cost or net realizable value using the first-in, first-out (FIFO) method. Management periodically evaluates the inventory for obsolete or slow moving inventory. See Note 6 for further detail.

#### INVESTMENTS

Investments consist of equities without readily determinable fair values and are reported at cost minus impairment. Donated securities are recorded at fair value on the date of the gift and are carried in accordance with the above policy.

#### LAND HELD FOR INVESTMENT

The Foundation owns land held for investment located in Idaho as of June 30, 2021. As the land is not used in operations, it has been classified as held for investment. Land held for investment is held at the lower of cost or estimated fair value. During the year ended June 30, 2021, the Organization sold property in Virginia that had also been held for investment. The total sales price was \$2,292,004 and a gain on sale of \$250,000 was recorded within interest, investment, and other on the consolidated statements of activities.

#### PROPERTY, EQUIPMENT, AND LONG-LIVED ASSETS

Expenditures over \$2,000 for property, equipment, and long-lived assets are capitalized at cost. Donated items are recorded at fair market value on the date of the gift. Depreciation and amortization expense is computed on the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years.

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

The consolidated financial statements report amounts by classification of net assets as follows:

*Net assets without donor restrictions* are those resources currently available at the discretion of management for use in Turning Point's operations and those resources invested in property, equipment, and long-lived assets.

*Net assets with donor restrictions* are those resources which are stipulated by donors for specific operating purposes or capital projects. Promises-to-give that are restricted for future periods are classified as net assets with donor restrictions until they are collected.

#### SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when cash or unconditional promises-to-give have been received or ownership of donated assets is transferred to Turning Point. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. Turning Point records support as contributions with donor restrictions if they are received with donor stipulations that limit their use through purpose or time restrictions, or both. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Turning Point receives non-cash gifts that are recorded as support at the estimated fair market value on the date of the gift. Goods given to Turning Point that do not have an objective basis for valuation are not recorded. Turning Point received approximately \$363,000 and \$203,000, of investment gifts for the years ended June 30, 2021 and 2020, respectively. These gifts were immediately liquidated.

Books, study guides, and other publications are either sold or provided upon request as a contribution premium. The estimated fair market value of premiums distributed which are included in contribution income on the consolidated statements of activities total approximately \$23,812,000 and \$20,256,000, for the years ended June 30, 2021 and 2020, respectively.

Special events revenue of approximately \$0 and \$558,000, for the years ended June 30, 2021 and 2020, respectively, includes amounts received from cruises and tours sponsored by Turning Point. Related special events costs of approximately \$0 and \$595,000, are included in program activities on the consolidated statements of activities for the years ended June 30, 2021 and 2020, respectively.

Other revenue is recorded when earned. Expenses are recorded when incurred, in accordance with the accrual basis of accounting.

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated statement of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of Turning Point. These expenses include depreciation, interest, information technology, and facilities operations. Depreciation and facilities operations are allocated based on square footage occupancy. Interest is allocated to the functional categories which have benefitted from the proceeds of the external debt. Costs of other categories were allocated on estimates of time and effort.

#### RECENTLY ADOPTED ACCOUNTING STANDARDS

During the year ended June 30, 2021, Turning Point adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606 of the FASB Accounting Standards Codification). ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Adoption of this standard had no effect on change in net assets or net assets in total.

#### ALLOCATION OF JOINT COSTS

Turning Point allocates all costs containing a fund-raising appeal to fund-raising unless all of the criteria of purpose, audience, and content are met. Joint cost allocations are:

	Year Ended June 30,	
	2021	2020
Program activities	\$ 2,309,346	\$ 1,662,283
Fund-raising	252,730	164,402
	<u>\$ 2,562,076</u>	<u>\$ 1,826,685</u>

### 3. RISKS AND UNCERTANTIES:

Turning Point's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on Turning Point's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to Turning Point's contribution revenue, absenteeism in workforce, and a decline in value of assets held. The financial impact cannot be estimated at this time because the duration of the pandemic cannot be estimated.

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

4. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects Turning Point's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general expenditure because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial position date.

	June 30,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 20,278,812	\$ 9,211,001
Accounts receivable	177,208	90,379
Promises-to-give-net	1,140,000	1,894,581
Life insurance cash surrender value	2,199,038	2,024,937
Financial assets, at year-end:	<u>23,795,058</u>	<u>13,220,898</u>
Less those unavailable for general expenditure within one year, due to:		
Promises-to-give-net collectible beyond one year	<u>(892,000)</u>	<u>(984,174)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 22,903,058</u>	<u>\$ 12,236,724</u>

As part of Turning Point's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, Turning Point also has committed to a line of credit in the amount of \$5 million which it could draw upon. See Note 8 for more information on the line of credit.

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

5. PROMISES-TO-GIVE:

Promises-to-give receivable consists of:

	June 30,	
	2021	2020
Unconditional promises-to-give before discount for present value of cash flows	\$ 2,795,000	\$ 3,750,481
Less discount for present value of cash flows	(520,000)	(593,000)
Less allowance for uncollectible promises-to-give	(1,135,000)	(1,262,900)
	1,140,000	1,894,581
Less current portion	(248,000)	(910,407)
Promises-to-give, net of current portion	\$ 892,000	\$ 984,174
Amounts as of June 30, 2021, are due in:		
Less than one year	\$ 248,000	
One to five years	892,000	
	\$ 1,140,000	

6. INVENTORY:

Inventory consists of:

	June 30,	
	2021	2020
Books and Bibles	\$ 4,074,043	\$ 3,251,520
Bible resources	609,065	510,441
Study guides	531,341	503,343
CDs and videos	854,916	739,485
Inventory supplies	130,472	207,493
	6,199,837	5,212,282
Less reserve for obsolete inventory	(1,665,000)	(524,000)
	\$ 4,534,837	\$ 4,688,282



# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

7. PROPERTY, EQUIPMENT, AND LONG-LIVED ASSETS–NET:

Property, equipment, and long-lived assets–net consist of:

	June 30,	
	2021	2020
Land	\$ 1,273,651	\$ 1,273,651
Buildings and improvements	7,165,221	7,107,633
Production equipment	6,415,652	6,263,391
Computer equipment and software	3,644,381	3,340,171
Furniture and office equipment	1,056,164	831,282
Vehicles and other	85,189	133,337
Website development	852,535	806,455
Airship Genesis	648,344	618,044
	<u>21,141,137</u>	<u>20,373,964</u>
Less accumulated depreciation and amortization	(13,126,387)	(12,085,825)
	<u>8,014,750</u>	<u>8,288,139</u>
Construction in progress	77,932	48,489
	<u>\$ 8,092,682</u>	<u>\$ 8,336,628</u>

Depreciation expense was recorded in the amount of approximately \$1,008,000 and \$939,000, for the years ended June 30, 2021 and 2020, respectively. Amortization expense, related to website development was approximately \$137,000 and \$163,000, for the years ended June 30, 2021 and 2020, respectively.

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

8. LONG-TERM DEBT:

Long-term debt consists of:

	June 30,	
	2021	2020
Note payable to a financial institution, secured by property and equipment. Payable in monthly installments of \$33,758, including interest of prime plus 0.50% (effectively 3.75% as of June 30, 2021), with a balloon payment due January 2024.	\$ 1,804,465	\$ 2,604,410
Unsecured note payable to a financial institution backed by the federal government. Interest rate of 1% with interest only payments deferred until October 2020. Total note was forgiven in March 2021.	-	1,982,100
Note payable to a financial institution, secured by property and equipment. Payable in monthly installments of \$13,071, interest rate of 4.5%. Note paid in full in October 2020.	-	604,897
Unsecured note payable to an organization, due in monthly principal installments of \$308. Note matures in February 2025.	12,488	15,552
Revolving \$5,000,000 line of credit with a financial institution, secured by property and equipment, inventory, and accounts receivable. Interest rate of prime plus 0.25% (effectively 3.75% as of June 30, 2021). The line of credit matures January 2022.	-	-
	1,816,953	5,206,959
Less current portion	(314,949)	(1,311,502)
	\$ 1,502,004	\$ 3,895,457

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

8. LONG-TERM DEBT, continued:

Future minimum payments are:

<u>Year Ending June 30,</u>	
2022	\$ 314,949
2023	330,320
2024	1,169,258
2025	<u>2,426</u>
	<u>\$ 1,816,953</u>

Interest expense for years ended June 30, 2021 and 2020, totaled approximately \$95,000 and \$309,000, respectively. Turning Point was in compliance with all financial and reporting covenants as of June 30, 2021.

9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions, restricted by purpose or time, consist of:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Studio equipment	\$ 1,861,480	\$ 1,674,329
Time restricted	934,000	999,000
Other program restrictions	47,749	49,822
Global outreach	<u>41,489</u>	<u>50,061</u>
	<u>\$ 2,884,718</u>	<u>\$ 2,773,212</u>

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

### 10. FAIR VALUE MEASUREMENTS:

Turning Point uses appropriate valuation techniques to determine fair value based on inputs available. When available, Turning Point measures fair value using Level 1 inputs because they generally provide the most reliable evidence for fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated statements of financial position, which are measured at the fair value on a recurring basis, and the level within the fair value measurement hierarchy in which the fair value measurements fall:

		Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair Value		(Level 1)	(Level 2)	(Level 3)
June 30, 2021:				
Land held for investment	\$ 1,078,005	\$ -	\$ -	\$ 1,078,005
	\$ 1,078,005	\$ -	\$ -	\$ 1,078,005
Fair Value Measurements Using:				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair Value		(Level 1)	(Level 2)	(Level 3)
June 30, 2020:				
Common stock	\$ -	\$ -	\$ -	\$ -
Land held for investment	3,000,000	-	-	3,000,000
	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

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### 10. FAIR VALUE MEASUREMENTS, continued:

Valuation techniques: Level 1 measures the fair values for mutual funds and equities. They are determined by reference to quoted market prices and other relevant information generated by market transactions. Land held for investment and common stock are valued using Level 3 inputs. The underlying investments in land held for investments are generally valued using external appraisals based on current market information available for comparable properties. For common stock, the underlying investments are valued using price per share based on the company's operations.

Changes in valuation techniques: None.

The following table provides further details of the Level 3 fair value measurements:

	Year Ended June 30,	
	2021	2020
Beginning balance	\$ 3,000,000	\$ 3,450,000
Impairment on investments	-	(450,000)
Proceeds from sale of land held for investment	(2,292,004)	-
Additions to land held for investment	123,579	-
Total realized gains	246,430	-
Ending balance	<u>\$ 1,078,005</u>	<u>\$ 3,000,000</u>

### 11. RETIREMENT PLAN:

Turning Point maintains a 403(b) and 457(b) defined contribution retirement program (the Program) with Guidestone Financial Resources of the Southern Baptist Convention for the benefit of its full-time and part-time employees who work 1,000 or more hours in a fiscal year. Turning Point contributed 5% of gross wages to all eligible participants of the Program, vesting at 5 years. All employees of Turning Point may make voluntary contributions to the Program by way of elective salary deferrals.

Total retirement expense was approximately \$456,000 and \$314,000, for the years ended June 30, 2021 and 2020, respectively.

### 12. RELATED PARTY TRANSACTIONS:

The president/CEO of Turning Point is also the senior pastor of Shadow Mountain Community Church (the Church) in El Cajon, California. Various materials produced and sold by Turning Point are derived from sermons conducted on the premises of the Church.

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

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### 12. RELATED PARTY TRANSACTIONS, continued:

For the years ended June 30, 2021 and 2020, the following transactions occurred between Turning Point and the Church: contributions to the Church were \$193,000 and \$202,000, respectively; support of Spanish programming aired by Turning Point from the Church totaled \$30,000 and \$30,000, respectively; and product purchases and other costs used by the Church purchased from Turning Point were \$37,208 and \$6,706, respectively. Amounts owed to Turning Point by the Church were \$5,059 and \$1,642, as of June 30, 2021 and 2020, respectively.

The president/CEO and COO of Turning Point hold positions on the board of directors of Turning Point of Canada (the Canadian Charity). The Canadian Charity broadcasts religious programs provided by Turning Point, USA throughout Canada. Turning Point provides fund-raising consulting, programming, product fulfillment, and general business consulting as needed by the Canadian Charity throughout the year. For the years ended June 30, 2021 and 2020, Turning Point invoiced \$1,033,194 and \$797,917, respectively, for goods and services to the Canadian Charity. Accounts receivable from the Canadian Charity were \$142,605 and \$70,882, as of June 30, 2021 and 2020, respectively.

The president/CEO and COO of Turning Point hold positions on the board of directors for Turning Point for God of Great Britain. Turning Point for God of Great Britain broadcasts religious programs provided by Turning Point, USA in Great Britain. Turning Point provides fund-raising consulting, programming, product fulfillment, and general business consulting as needed by Turning Point of United Kingdom. For the years ended June 30, 2021 and 2020, Turning Point contributed approximately \$189,000 and \$130,000, respectively, in goods and services to Turning Point for God of Great Britain. For the years ended June 30, 2021 and 2020, reimbursements from Turning Point for God of Great Britain were approximately \$138,000 and \$127,000, respectively. For the years ended June 30, 2021 and 2020, accounts receivable from Turning Point for God of Great Britain were approximately \$28,000 and \$0, respectively.

The president/CEO of Turning Point also holds a position on the board of directors for the Christian Unified School District. Contributions to the Christian Unified School District from Turning Point totaled approximately \$151,000 and \$100,000 for the years ended June 30, 2021 and 2020, respectively.

A board member of Turning Point holds the position of Chief Operating Officer at San Diego Christian College. Contributions to San Diego Christian College from Turning Point totaled approximately \$200,000 and \$0 for the years ended June 30, 201 and 2020, respectively.

Turning Point purchases books authored by the president and CEO from various publishers at a discounted price negotiated by Turning Point, exclusive of any royalty. In addition, a designated amount of books are acquired and distributed through retail channels for ministry purposes once each year. Books acquired and distributed through retail channels result in standard royalties and agent fees for Dr. Jeremiah and his agent.

# TURNING POINT FOR GOD

## Notes to Consolidated Financial Statements

June 30, 2021 and 2020

13. LITIGATION CONTINGENCY:

Turning Point is subject to claims and lawsuits that arise primarily in the ordinary course of activities. In consideration of insurance coverage of these claims, management believes the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets, and cash flows of Turning Point. Events could occur that would change this estimate.

14. SUBSEQUENT EVENT:

Subsequent events have been evaluated through October 1, 2021, which is the date the consolidated financial statements were available to be issued.