

Annual Report 2020

VOXCHURCH



TO SEE NEW ENGLAND TRANSFORMED FROM THE LEAST-CHURCHED
REGION IN THE U.S. TO THE MOST SPIRITUALLY VIBRANT PLACE ON EARTH.

INTRODUCTION

What an unexpected year it was! Twenty-twenty has been full of twists, turns, and unforeseen challenges for all of us. Yet, it has been miraculous to watch God work at Vox Church. People's lives are being radically changed by the gospel. Families are being restored and healed. The church is getting stronger and stronger, preparing for the future and even greater impact. I don't know what your story has been in 2020, but I know that God has a plan. He will not leave you and he will see you through. Behind the numbers shared in this annual report, there are thousands of stories. Behind the stories, there are human beings with eternal souls. What an honor to be a part of God's work in our time!



Justin & Chrissy Kendrick
Vox Church



MINISTRY UPDATES

MAKING A DIFFERENCE FOR FAMILIES

VOXKIDS

This year, VoxKids accelerated resourcing and programming for kids and families throughout our region. During the pandemic, we brought **new content and resources** into homes:

- Weekly Virtual VoxKids Programming
- Bible Curriculum for Use at Home
- Vox Families Social Media Initiatives and Family Challenges;
- Virtual Story Book Reading;
- Summer and Afterschool Fun Calls;

While maintaining proper protocols, we were even able to host fun events for families including:

- Virtual VBS;
- Easter Jam 2020;
- Simply Christmas; and
- Pack-a-Pack Kids Outreach Program.

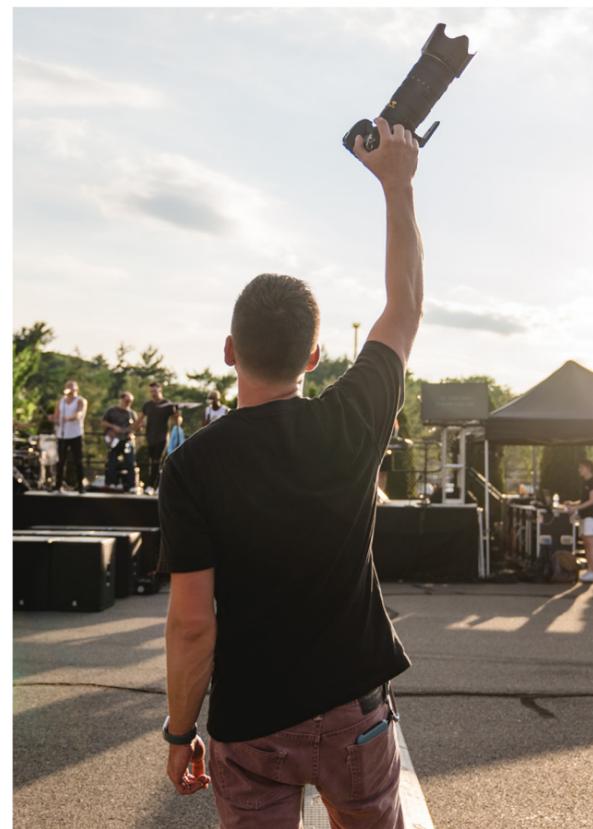
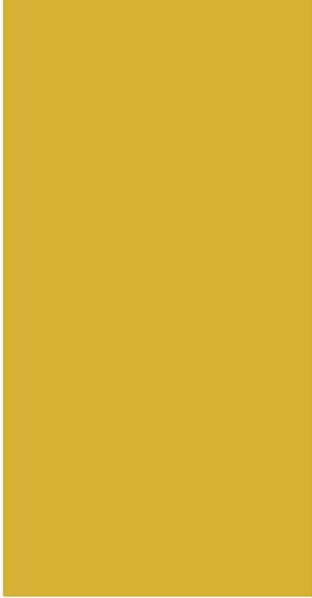
Over the past year, children engaged with the gospel in new and greater ways at home and we saw **22 children** give their lives to Jesus and we baptized 6 children!

VOXYOUTH

In 2020 VoxYouth was able to establish consistency in gathering and create more accessibility for students to participate in community across all of our current campuses. We saw an **increase in middle and high school students join VoxYouth and have seen our team of leaders double in size!** Students have been able to grow in relationship with their peers and leaders as well as encounter the presence of God as we have come together for events.

- Youth House LIVE
- VoxYouth One-Day Camp
- The VoxYouth Christmas Party
- Regional Youth House





Vox Church 2020

For the glory
of God and the
transformation of our city.



REACHING OUT

LOCAL OUTREACH

2020 was a year of **EXPLOSIVE GROWTH** for our outreach ministries at Vox. Collectively, we have given away **\$307,854** to support local initiatives and organizations throughout our communities. We extensively focused on COVID-19 relief efforts, which included food delivery to high-risk individuals and care for first responders.

- In Middletown, our Campus Outreach team partnered with local organizations to coordinate **weekly deliveries** to those most vulnerable.
- We partnered with Stamford Public Schools to distribute weekend meal and snack kits to students in need.
- As a church, we sent out over **10,000 letters** to those in isolation and those serving on the frontlines of the pandemic.
- We collected **over 20,000** cans for our Jesus Can Drive that enabled local organizations to provide food for Thanksgiving across Connecticut and Massachusetts.

GLOBAL MISSIONS

Our efforts continued alongside international organizations to see the gospel expand all over the globe. As a church, we also formed a Global Missions Council to lay groundwork identifying specific areas of focus for our international missions' efforts: **church planting and theological training; least access to the gospel; arena of ideas; women and children; and Sub-Saharan Africa.** Collectively, we gave away **\$162,879** toward international efforts. Here are a few global highlights:

- We provided video equipment for a church in Turkey allowing a transition to online services; the gospel continued to spread in their region.
- We've been monthly supporting organizations in **INDIA, RWANDA, GREECE and JAMAICA.**

CREATIVE EXPANSION

VOX CREATIVE

Our Creative team, which consists of musicians, graphic designers, writers and filmmakers, worked to produce materials that supported what God was doing in our community. We created a devotional to go along with the sermon series Personal Jesus, designed and written by our team. In December, Voxmusic released its first live album **MORE THAN ALIVE**, which was captured at our New Haven location. That same month, our team produced **SACRED OBSCURITY**, a Christmas film experience. We are expected God to continue to breath on the music and resources coming out of our creative community!

CHURCH ONLINE

In early 2020, Church Online was merely a future project we hoped to implement one day, but as March came around, that future project became a present priority. **Our teams were able to create an online experience that carried the power of the Holy Spirit into every home.**

Thousands of people viewed and participated in our online services. In fact, our Sunday participation grew in 2020 beyond our previous years. We pray it will continue to play a vital role in **preaching** the gospel, **connecting** a hurting world to God's people, and **growing community!**



WAKE MY HEART



FULFILLMENT PHASE UPDATE

In the fall of 2019, Vox launched our Wake My Heart Campaign. This two-year initiative challenged us to reshape our lives around eternal values and prioritize the mission of the local church. In a miraculous move of God, our church committed \$19,586,454 over two years! We focused our efforts around three major priorities.

Priority 1: Strengthen our current ministries.

During the COVID-19 pandemic, we have overhauled and staffed our central systems, campus ministries, VoxKids, VoxYouth, Finance and Operations Dept, and Creative. Our online and social media footprint has grown more in nine months than it did in the first nine years! God has enabled us to use this time to strengthen our ministries more than we ever imagined.

Priority 2: Secure our first anchor location and launch new churches.

Renovations were completed in 2019 for our new Vox Central Offices. The site of our first anchor location was secured at 131 Commercial Parkway in Branford, CT, and in November of 2019, Vox was unanimously approved by planning and zoning. We expect our Vox Branford Anchor Location to be open for weekly services and be ready to broadcast to all locations in 2021! Vox New Britain and Worcester have continued to meet through 2020 with hopes of greater opportunity for large weekly gatherings in 2021.

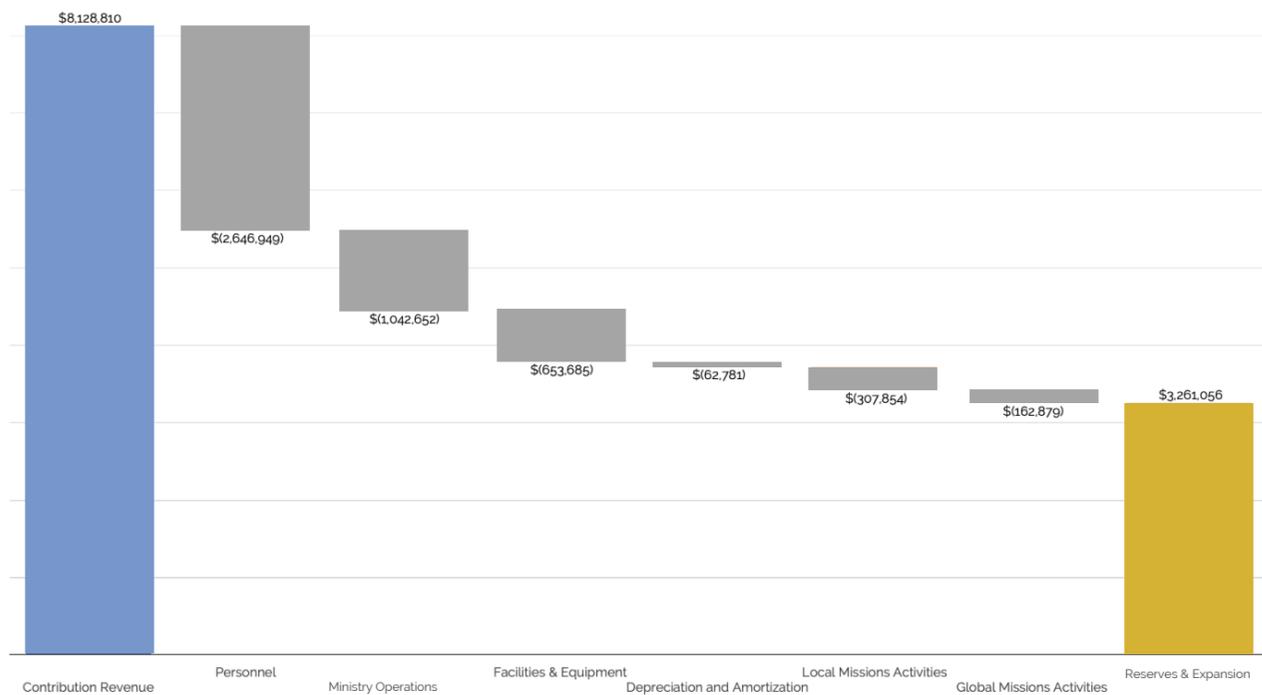
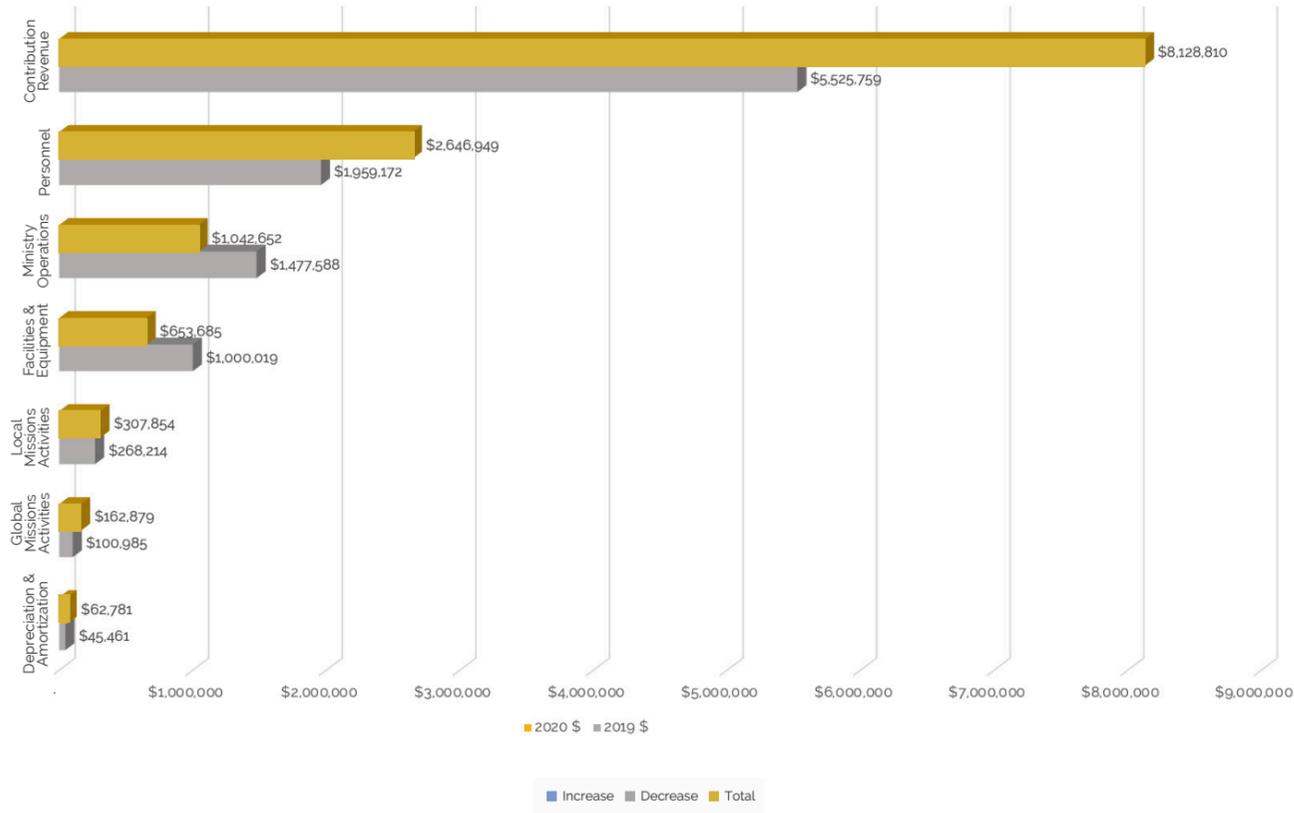
Priority 3: Establish a site acquisition fund.

Our team at Vox has moved forward in securing a permanent facility for our Hartford church with the help of our site acquisition fund. It is our hope to acquire and renovate a permanent home in Hartford in 2021.

None of this forward progress would have been possible without the faithful commitments of our church through this Wake My Heart Campaign. The generosity and consistency of our church through 2020 is nothing short of miraculous. Thank you for being a part of a move of God's Holy Spirit! this next season.



2019-2020 Financials



2019-2020 Totals

Category	2019 \$	2020 \$
Contribution Revenue	\$5,525,759	\$8,128,810
Personnel	\$1,959,172	\$2,646,949
Ministry Operations	\$1,477,588	\$1,042,652
Facilities & Equipment	\$1,000,019	\$653,685
Depreciation & Amortization	\$45,461	\$62,781
Local Missions Activities	\$268,214	\$307,854
Global Missions Activities	\$100,985	\$162,879
Reserves & Expansion	\$768,541	\$3,261,056



VOXCHURCH
Annual Report **2020**



VOX CHURCH, INC.

Financial Statements
With Independent Accountants' Review
Report

December 31, 2020

VOX CHURCH, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Vox Church, Inc.
Branford, Connecticut

We have reviewed the accompanying financial statements of Vox Church, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. 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 taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements 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.

Accountants' Conclusion

Based on our reviews, 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 States of America.

Capin Crouse LLP

Lawrenceville, Georgia
April 21, 2021

VOX CHURCH, INC.

Statement of Financial Position

December 31, 2020

ASSETS:

Cash and cash equivalents	\$ 4,677,148
Investments	40,174
Prepaid expenses and other assets	229,442
Property and equipment–net	<u>1,713,051</u>

Total Assets	<u><u>\$ 6,659,815</u></u>
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LIABILITIES AND NET ASSETS WITHOUT DONOR RESTRICTIONS:

Liabilities:

Accounts payable and accrued expenses	\$ 120,222
Note payable	<u>381,238</u>
	<u>501,460</u>

Net assets without donor restrictions:

Undesignated	<u>6,158,355</u>
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Total Liabilities and Net Assets Without Donor Restrictions	<u><u>\$ 6,659,815</u></u>
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See accompanying notes and independent accountants' review report

VOX CHURCH, INC.

Statement of Activities

Year Ended December 31, 2020

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

SUPPORT AND REVENUE:

Contributions	\$ 8,128,809
Investment gain	1,085
Sales and fees	5,058
Other income	2,875
Total Support and Revenue	<u>8,137,827</u>

RECLASSIFICATIONS

EXPENSES:

Program services	3,800,085
General and administrative	<u>1,076,686</u>
Total Expenses	<u>4,876,771</u>

Change in Net Assets Without Donor Restrictions 3,261,056

Net Assets Without Donor Restrictions, Beginning of Year 2,897,299

Net Assets Without Donor Restrictions, End of Year \$ 6,158,355

See accompanying notes and independent accountants' review report

VOX CHURCH, INC.

Statement of Cash Flows

Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets without donor restrictions	\$ 3,261,056
Adjustments to reconcile change in net assets without donor restrictions to net cash provided (used) by operating activities:	
Depreciation	62,781
Realized/unrealized gain on investments	(1,085)
Noncash contribution	(290,790)
Changes in operating assets and liabilities:	
Prepaid expenses and other assets	(19,640)
Accounts payable and accrued expenses	57,304
Net Cash Provided by Operating Activities	<u>3,069,626</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(431,977)
Proceeds from sales of investments	129,345
Net Cash Used by Investing Activities	<u>(302,632)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from note payable	290,790
Repayments of note payable	(18,762)
Net Cash Provided by Investing Activities	<u>272,028</u>

Net Change in Cash and Cash Equivalents 3,039,022

Cash and Cash Equivalents, Beginning of Year 1,638,126

Cash and Cash Equivalents, End of Year \$ 4,677,148

SUPPLEMENTAL DISCLOSURE:

Cash paid for interest \$ 9,101

NONCASH INVESTING AND FINANCING ACTIVITIES:

Property and equipment acquired with note payable \$ 400,000

See accompanying notes and independent accountants' review report

VOX CHURCH, INC.

Notes to Financial Statements

December 31, 2020

1. NATURE OF ORGANIZATION:

The mission of Vox Church, Inc. (the Church) is to spread the lifestyle of authentic Christianity for the glory of God and the transformation of New England. The heart of the Church is marked by a holy urgency. We believe that time is short, people need God, and he has called his church to be a voice. The name “Vox” comes from the Latin word for voice, and we believe that God desperately wants to speak to those far from him and bring them close. His primary method to do this is his church. As the people of God, we want to echo his truth in every corner of our world through sharing the gospel, serving the poor, helping those in need, seeking the good of the city, partnering with other churches and organizations, and participating in global missions.

The Church is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code) and comparable state law. Contributions to the Church are deductible from income taxes within the limitations prescribed by the Code. The Church is not a private foundation under Section 509(a)(1) of the Code. The primary source of revenue for the Church is contributions from the general public.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes petty cash, checking accounts and savings accounts. While occasionally deposits may be in excess of federally insured limits, the Church has not experienced any losses in such accounts, and management believes that it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2020, cash balances exceeded federally insured limits by \$4,289,270.

INVESTMENTS

Investments include certificate of deposits with maturities longer than 90 days and common stocks. All investments in common stocks with readily determinable fair values are recorded at fair value. Investments in certificate of deposits are recorded at cost plus accrued interest. Gains and losses (including unrealized) are reported in the statement of activities. Donated investments are recorded at fair value on the date of the donation, and thereafter carried in accordance with the above provisions.

VOX CHURCH, INC.

Notes to Financial Statements

December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Church generally capitalizes all property and equipment acquisitions in excess of \$5,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years.

CLASSES OF NET ASSETS

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

Net assets without donor restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, or invested in property and equipment, net of related debt.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled. For the year ended December 31, 2020, the Church did not have any net assets with donor restrictions.

All contributions are considered available for general business use unless specifically restricted by the donor or subject to other legal restrictions.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Revenue is recognized when earned and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met.

The Church reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as reclassifications. The Church has a policy to recognize as support without donor restrictions any contributions with donor restrictions whose restrictions are met in the same period that the contribution is made.

VOX CHURCH, INC.

Notes to Financial Statements

December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

The Church reports donations of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Church reports expirations of donor restrictions when construction or acquisition costs are incurred.

Donated goods (including securities) are recorded at fair value at the date of the gift.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of the Church have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Church's financial assets as of December 31, 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Church considers general expenditures to be all expenditures related to fulfilling its vision as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets, at year-end:	
Cash and cash equivalents	\$ 4,677,148
Investments	<u>40,174</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 4,717,322</u></u>

As part of the Church'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.

VOX CHURCH, INC.

Notes to Financial Statements

December 31, 2020

4. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consist of:

Land and land improvements	\$ 204,870
Buildings and building improvements	1,307,214
Equipment and vehicles	207,540
	<u>1,719,624</u>
Less accumulated depreciation	(152,634)
	<u>1,566,990</u>
Construction in process	146,061
	<u><u>\$ 1,713,051</u></u>

5. NOTE PAYABLE:

Note payable consist of:

Effective in 2019, the Church executed a promissory note payable, with an original principal amount of \$400,000; bears interest at a fixed rate of 5.3%; requires monthly payments of interest only through maturity in December 2022. The note payable is secured by certain real property in North Haven, CT.

\$ 381,238

Maturity of note payable is as follows:

<u>Years Ending December 31,</u>	<u>Amounts</u>
2021	\$ -
2022	<u>381,238</u>
	<u><u>\$ 381,238</u></u>

The note payable contains restrictive financial covenants including the maintenance of certain depository balances. For the year ended December 31, 2020, the Church has met all required financial covenants.

VOX CHURCH, INC.

Notes to Financial Statements

December 31, 2020

6. EXPENSES BY BOTH NATURE AND FUNCTION:

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Church. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Payroll and benefits, dues and fees, and interest are allocated on an analysis of employee time and effort for the employees incurring the expense. All other expenses are allocated based on an analysis of the Church campus or location incurring the expense.

Functional expenses by natural classification for the year ended December 31, 2020:

	Program Services	General and Administrative	Total
Payroll and benefits	\$ 2,112,336	\$ 640,724	\$ 2,753,060
Equipment, repairs, and maintenance	234,650	25,706	260,356
Professional and outside services	98,816	158,243	257,059
Depreciation	62,781	-	62,781
Advertising	104,299	-	104,299
Dues and fees	38,558	153,197	191,755
Meals and travel	120,010	11,467	131,477
Facilities	351,260	45,979	397,239
Office and supplies	215,083	12,828	227,911
Grants to others	286,385	-	286,385
Curriculum	62,802	-	62,802
Insurance	28,832	9,420	38,252
Interest	7,055	2,046	9,101
Computers and technology	77,218	17,076	94,294
	<u>\$ 3,800,085</u>	<u>\$ 1,076,686</u>	<u>\$ 4,876,771</u>

7. DISCLOSURE OF FAIR VALUE:

The Fair Value topic of the Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Church uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Church measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs were not available. There were no changes in methods or assumptions from the prior year.

VOX CHURCH, INC.

Notes to Financial Statements

December 31, 2020

7. DISCLOSURE OF FAIR VALUE, continued:

The estimated fair value amounts have been determined by the Church using available market information and valuation methodologies as noted below.

	Fair Value Measurements at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Common stocks	\$ 14,868	\$ -	\$ -	\$ 14,868

Methods and assumptions used by the Church in estimating fair value are as follows:

Common stocks—The fair values are based on quoted active market prices.

Changes in valuation techniques—None.

8. RETIREMENT PLAN:

The Church offers a Savings Incentive Match Plan for Employees (SIMPLE Plan) to all eligible staff members. The Church matches contributions up to 3%. The employer amount contributed to the Simple Plan for the year ended December 31, 2020, was \$43,331.

9. COMMITMENTS:

During 2020, the Church entered into various contracts for construction projects. The projects have an estimated total cost of \$5,995,000. As of December 31, 2020, approximately \$135,000 of the estimated cost of the projects has been completed, with remaining contracted project commitments of approximately \$5,860,000, expected to be incurred in 2021.

VOX CHURCH, INC.

Notes to Financial Statements

December 31, 2020

10. LEASES:

The Church leases its office facility, various campuses and certain office equipment under non-cancelable operating lease agreements. Rental and lease expenses totaled \$370,644 for the year ended December 31, 2020. Future minimum lease payments under noncancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2020, are as follows:

<u>Years Ending December 31,</u>	<u>Amounts</u>
2021	\$ 710,943
2022	727,142
2023	726,276
2024	698,934
2025	706,984
	<u>\$ 3,570,279</u>

11. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Church for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve. As part of the response to the impact of COVID-19, the Church applied for a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. The Church was approved for a loan in the amount of \$290,790. For the year ended December 31, 2020, in accordance with ASC 958-605, the Church has recognized a noncash contribution without donor restrictions in the accompanying statement of activities. Based on the provisions included in the CARES Act, the loan agreement provides for loan forgiveness up to the full amount of the loan provided the Church overcomes (meets) certain loan stipulations. Effective April 2021, the Organization received notification of forgiveness from the SBA.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 21, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.