

John Calvin Presbytery

Independent Accountants' Review Report
and Financial Statements
Years Ended December 31, 2023 and 2022

KPM
CPAS & ADVISORS



Independent Accountants' Review Report

To the Board of Directors
John Calvin Presbytery
Springfield, Missouri

We have reviewed the accompanying financial statements of John Calvin Presbytery (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2023, and the related statement of revenues, expenses, and other changes in net assets – modified cash basis 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 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 these financial statements in accordance with the modified cash basis of accounting; this includes determining the modified 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement 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 the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of John Calvin Presbytery and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountants' 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 the modified cash basis of accounting.

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Summarized Comparative Information

We previously reviewed John Calvin Presbytery's 2022 financial statements and in our conclusion dated November 10, 2023, stated that based on our review, we were not aware of any material modifications that should be made to the 2022 financial statements in order for them to be in accordance with the modified cash basis of accounting. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2022, for it to be consistent with the reviewed financial statements from which it has been derived.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
July 12, 2024

John Calvin Presbytery

Statements of Assets, Liabilities, and Net Assets – Modified Cash Basis

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 181,566	\$ 121,404
Investments	88,582	79,293
Beneficial interest in CFO	<u>1,058,666</u>	<u>1,011,727</u>
Total assets	<u>\$ 1,328,814</u>	<u>\$ 1,212,424</u>
Liabilities and Net Assets		
Current Liabilities		
Payroll taxes payable	<u>\$ 2,222</u>	<u>\$ 2,278</u>
Net assets		
Net assets without donor restrictions	1,162,981	1,111,304
Net assets with donor restrictions	<u>163,611</u>	<u>98,842</u>
Total net assets	<u>1,326,592</u>	<u>1,210,146</u>
Total liabilities and net assets	<u>\$ 1,328,814</u>	<u>\$ 1,212,424</u>

See independent accountants' review report
The accompanying notes are an integral part of these financial statements

John Calvin Presbytery

Statements of Revenues, Expenses, and Other Changes in Net Assets—Modified Cash Basis

Year Ended December 31, 2023

With Summarized Financial Information for the Year Ended December 31, 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, Support and Reclassifications				
General mission	\$ 70,676	\$ -	\$ 70,676	\$ 78,251
Per capita income	96,108	-	96,108	91,598
Contributions	2,333	88,868	91,201	45,377
Investment earnings, net	124,837	2,750	127,587	(139,400)
Other revenue	3,107	25,726	28,833	4,977
Total revenues and support	297,061	117,344	414,405	80,803
Net assets released from restriction	52,576	(52,576)	-	-
Total revenues, support and reclassifications	349,637	64,768	414,405	80,803
Expenses				
Program				
Mission, ministry, and church	89,733	-	89,733	110,131
Church and other grants	43,746	-	43,746	10,000
Wages and related expenses	95,525	-	95,525	94,075
Medical and pension expense	14,740	-	14,740	14,124
Total program expenses	243,744	-	243,744	228,330
Administrative				
Wages and related expenses	40,390	-	40,390	54,187
Medical and pension expense	2,601	-	2,601	2,493
Offices supplies	401	-	401	1,490
Insurance	2,401	-	2,401	2,421
Professional fees	8,075	-	8,075	10,120
Council and committee expenses	347	-	347	655
Total administrative expenses	54,215	-	54,215	71,366
Total expenses	297,959	-	297,959	299,696
Increase (decrease) in net assets	51,678	64,768	116,446	(218,893)
Net assets, beginning of year	1,111,303	98,843	1,210,146	1,429,039
Net assets, end of year	\$ 1,162,981	\$ 163,611	\$ 1,326,592	\$ 1,210,146

See independent accountants' review report

The accompanying notes are an integral part of these financial statements

John Calvin Presbytery

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

1. Nature of the Organization

John Calvin Presbytery (the Presbytery) is a nonprofit organization consisting of active members of Presbyterian churches located in Missouri and Kansas under the Presbytery's jurisdiction. The Presbytery was established under the Constitution of the Presbyterian Church (USA). It provides support and assistance to the churches, advises member churches on personnel issues, and has funds established to provide support to churches and ministers in need. The Presbytery is also active in development of new churches in the region and promotes growth in church membership.

The Presbytery receives funding from member churches for per capita assessments, special gifts, resource fees, and contributions. Also, the Presbytery receives funding from the Synod of Mid-America in the form of general funds and designated peacemaking funds.

2. Summary of Significant Accounting Policies

Basis of presentation: The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis of accounting differs from generally accepted accounting principles primarily because the Presbytery recognizes revenues when received instead of when the revenue is earned, and payments to vendors are recognized when paid instead of when goods and services are received.

The Presbytery is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets not subject to donor restriction may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Presbytery's management and the general council.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors must be expended in accordance with donor restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Presbytery or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2023 and 2022, the Presbytery did not have any donor funds restricted in perpetuity.

Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of revenues, expenses, and other changes in net assets - modified cash basis as net assets released from restrictions.

Comparative financial information: The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting. Such

See independent accountants' review report

John Calvin Presbytery

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

information should be read in conjunction with the Presbytery's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Accounting estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with the modified cash basis of accounting. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates used.

Tax-exempt status: The Presbytery has been classified as an exempt organization under Internal Revenue Code Section 501(c)(3).

The Presbytery has analyzed tax positions taken and concluded that as of December 31, 2023 and 2022, there are no uncertain positions taken, or expected to be taken, that would require disclosure in the financial statements. The Presbytery is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Presbytery does not believe it likely that changes will occur within the next fiscal year that will have a material impact on the financial statements.

Cash equivalents: The Presbytery's cash and cash equivalents include cash on hand, money market funds, and investments with original maturities of three months or less.

Investments and beneficial interest in community foundation: The Presbytery carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of assets, liabilities, and net assets – modified cash basis.

Investment earnings include dividends, interest, realized and unrealized gains on investments carried at fair value, and fees associated with investment maintenance. Investment earnings are reflected in the statements of revenues, expenses, and other changes in net assets – modified cash basis as with donor restrictions or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Presbytery maintains pooled investment accounts with Community Foundation of the Ozarks as approved by the General Council. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated quarterly to the individual funds based on the relationship of the fair value of the interest of each individual fund to the total fair value of the pooled investments, as computed using the weighted average that reflects addition to or deductions from those accounts.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenues, expenses, and other changes in net assets – modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

See independent accountants' review report

John Calvin Presbytery

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

The allocated expenses include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Wages and related expenses	Time and effort
Medical and pension expense	Time and effort

Fair value measurement: The definition of fair value focuses on the exit price (i.e., the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) not the entry price (i.e., the price that would be paid to acquire the asset or received to assume the liability at the measurement date). Fair value is a market-based measurement; not an entity-specific measurement. Therefore, the fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

Subsequent events: Management has evaluated subsequent events between the end of the most recent fiscal year and July 12, 2024, the date the financial statements were available to be issued.

3. Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets at year end		
Cash and cash equivalents	\$ 181,566	\$ 121,404
Investments	88,582	79,293
Beneficial interest in CFO	1,058,666	1,011,727
Total financial assets	<u>1,328,814</u>	<u>1,212,424</u>
Less amounts unavailable for general expenditures within one year		
Net assets with donor restrictions greater than one year	40,035	29,064
Assets held with liquidity horizons greater than one year	580,420	601,853
Total amount unavailable for general expenditures	<u>620,455</u>	<u>630,917</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 708,359</u>	<u>\$ 581,507</u>

The Presbytery's goal is to maintain financial assets to meet six months of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

See independent accountants' review report

John Calvin Presbytery

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

4. Investments

The carrying value and estimated market value of investment securities are as follows:

	2023			2022		
	Cost	Unrealized Gain	Market Value	Cost	Unrealized Gain	Market Value
Mutual Funds	<u>\$ 73,948</u>	<u>\$ 14,634</u>	<u>\$ 88,582</u>	<u>\$ 72,222</u>	<u>\$ 7,071</u>	<u>\$ 79,293</u>

5. Beneficial Interest in Community Foundation

Beneficial interest in community foundation, as presented in the statements of assets, liabilities, and net assets – modified cash basis, consists of pooled investment funds held at the Community Foundation of the Ozarks. The Presbytery has legally enforceable rights and claims to the assets, including rights to the income produced by said assets. The investment structure of the assets is to seek higher returns than a cash account, while providing reasonable stability of principal.

6. Net Assets

Net assets with donor restrictions are as follows as of December 31, 2023 and 2022:

	2023	2022
Specific Purpose		
Candidate Aid	\$ 8,559	\$ 8,249
Church Development	24,714	22,122
CVI Grant	9,895	9,895
Disaster Relief	30,140	19,169
New Church Development	8,071	4,945
Paragon Grant	5,000	5,000
PDA Grant	5,000	5,000
Peacemaking	4,578	4,076
Pentecost	577	577
Resource Center	2,475	4,766
Rural Pastoral Leadership	50,000	-
Scholarships	14,602	15,043
Total net assets with donor restrictions	<u>\$ 163,611</u>	<u>\$ 98,842</u>

See independent accountants' review report

John Calvin Presbytery

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Net assets without donor restrictions designated with a specific purpose by the General Council are as follows as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Church Development	\$ 484,990	\$ 506,136
Church Emergency	37,500	37,500
COVID Grants	6,000	6,000
Lay Academy	150	150
Pension	365	365
Scholarships	15,788	16,075
Trustee	32,378	32,378
Youth Connection	3,249	3,249
Total board designated net assets	<u>\$ 580,420</u>	<u>\$ 601,853</u>

Net assets released from donor restrictions are as follows:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions		
Church Development	\$ 22,600	\$ -
Disaster Relief	2,114	167
Peacemaking	3,166	6,930
Resource Center	2,291	22
Pentecost	2,480	3,662
Scholarships	600	-
Special Offerings	19,325	36,537
Total net assets released from donor restrictions	<u>\$ 52,576</u>	<u>\$ 47,318</u>

7. Use of Property Not Owned or Leased

The Presbytery uses office space that it does not own or lease. Employees use property they own personally for office space. In addition, member churches provide temporary offices and meeting space for use by the Presbytery employees and board members. No contribution or rent expense has been reported in the financial statements associated with these transactions.

8. Contingent Liabilities

The Presbytery is contingently liable as guarantor for member churches' mortgages for facilities at various locations. At December 31, 2023, the balance of these mortgages amounted to \$368,000. The maturity dates of the mortgages range up to April 2034.

In addition, prior to 1975, certain member churches received mortgage grants that do not require payment of principal or interest so long as the church remains a part of the Presbyterian Church (USA). The Presbytery is contingently liable as guarantor on grants under this program totaling \$8,800.

See independent accountants' review report

John Calvin Presbytery

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

9. Pension Plan

John Calvin Presbytery is a participant in a defined contribution benefit plan that combines retirement, health, death, and disability benefits. The plan is contributory and covers employees who meet certain eligibility requirements as set by the plan. For the years ended December 31, 2023 and 2022, contributions totaled \$17,341 and \$16,617, respectively.

10. Fair Value Measurement

The Presbytery has an established process for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently sourced market data, including interest rate yield curves, option volatilities, and third-party information. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Presbytery believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Valuation Hierarchy:

The Presbytery uses a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual funds: The Presbytery uses quoted market prices from actively traded markets to estimate the fair value of the equity securities that it holds. These securities are classified within Level 1 of the valuation hierarchy above. If quoted market prices were not available, then fair values would be estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows and would be classified within Level 2 of the valuation hierarchy. In certain cases where there

See independent accountants' review report

John Calvin Presbytery

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

is limited activity or less transparency around inputs to the valuation, securities would be classified within level 3 of the valuation hierarchy.

Assets held at Community Foundation of the Ozarks (CFO): The estimated fair value of pooled investment funds held at Community Foundation of the Ozarks is based upon the fair value of the interest of each individual fund to the total fair value of the pooled investments. Pooled investment funds are classified within Level 2 of the fair value hierarchy.

The following table presents the financial instruments carried at fair value on a recurring basis as of December 31, 2023 and 2022:

	December 31, 2023			
	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Assets held at CFO	\$ 1,058,666	\$ -	\$ 1,058,666	\$ -
Marketable equity securities	88,582	88,582	-	-
Total	<u>\$ 1,147,248</u>	<u>\$ 88,582</u>	<u>\$ 1,058,666</u>	<u>\$ -</u>

	December 31, 2022			
	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Assets held at CFO	\$ 1,011,727	\$ -	\$ 1,011,727	\$ -
Marketable equity securities	79,293	79,293	-	-
Total	<u>\$ 1,091,020</u>	<u>\$ 79,293</u>	<u>\$ 1,011,727</u>	<u>\$ -</u>

During the years ended December 31, 2023 and 2022, the Presbytery had no financial instruments classified within Level 3 of the valuation hierarchy for assets and liabilities measured at fair value on a recurring basis.

See independent accountants' review report