

Village Presbyterian Church Endowment Trust

Financial Report—Modified Cash Basis
December 31, 2024

Contents

Independent auditor's report	1-2
Financial statements	
Statements of assets, liabilities and net assets—modified cash basis	3
Statements of support, revenues, expenses and changes in net assets—modified cash basis	4
Statements of changes in net assets—modified cash basis	5
Notes to financial statements—modified cash basis	6-11

Independent Auditor's Report

Board of Directors
Village Presbyterian Church Endowment Trust

Opinion

We have audited the financial statements of Village Presbyterian Church Endowment Trust (the Trust), which comprise the statements of assets, liabilities and net assets—modified cash basis as of December 31, 2024 and 2023, the related statements of support, revenues, expenses and changes in net assets—modified cash basis and changes in net assets—modified cash basis for the years then ended, and the related notes to the financial statements—modified cash basis.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the assets and liabilities arising from cash transactions of the Trust as of December 31, 2024 and 2023, and its revenue collected and expenses paid during the years then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

RSM US LLP

Kansas City, Missouri
August 29, 2025

Village Presbyterian Church Endowment Trust

Statements of Assets, Liabilities and Net Assets—Modified Cash Basis
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 516,865	\$ 962,979
Investments, at fair value	29,404,600	26,733,525
Endowment investments	399,670	399,670
Total assets	\$ 30,321,135	\$ 28,096,174
Net Assets		
Net assets:		
Without donor restrictions	\$ 29,921,465	\$ 27,696,504
With donor restrictions	399,670	399,670
Total net assets	\$ 30,321,135	\$ 28,096,174

See notes to financial statements—modified cash basis.

Village Presbyterian Church Endowment Trust

Statements of Support, Revenues, Expenses and Changes in Net Assets—Modified Cash Basis Years Ended December 31, 2024 and 2023

	2024	2023
Changes in net assets without donor restrictions:		
Support and revenue:		
Contributions	\$ 321,148	\$ 833,684
Investment return	3,239,017	4,025,539
Other income	29,591	11,249
Total support and revenue	3,589,756	4,870,472
Expenses:		
Program services:		
Grants to Village Presbyterian Church	1,268,967	1,159,012
Supporting services:		
Other grants and expenses	95,828	58,814
Total expenses	1,364,795	1,217,826
Change in net assets without donor restrictions	2,224,961	3,652,646
Change in net assets	\$ 2,224,961	\$ 3,652,646

See notes to financial statements—modified cash basis.

Village Presbyterian Church Endowment Trust

Statements of Changes in Net Assets—Modified Cash Basis Years Ended December 31, 2024 and 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
Balance, December 31, 2022	\$ 24,043,858	\$ 399,670	\$ 24,443,528
Change in net assets	3,652,646	-	3,652,646
Balance, December 31, 2023	27,696,504	399,670	28,096,174
Change in net assets	2,224,961	-	2,224,961
Balance, December 31, 2024	\$ 29,921,465	\$ 399,670	\$ 30,321,135

See notes to financial statements—modified cash basis.

Village Presbyterian Church Endowment Trust

Notes to Financial Statements—Modified Cash Basis

Note 1. Organization and Summary of Significant Accounting Policies

Organization: Village Presbyterian Church Endowment Trust (the Trust) is a Kansas nonprofit corporation formed in 1998 by Village Presbyterian Church (the Church) for the exclusive benefit of the Church.

Significant accounting policies:

Basis of accounting: The financial statements have been prepared on the modified cash basis of accounting as applied to transfers of assets to a nonprofit organization or charitable trust that raises or holds contributions for others. The Trust and the Church are financially interrelated organizations, meaning that the Church has the ability to influence the operating and financial decisions of the Trust, and that the Church has an ongoing economic interest in the net assets of the Trust; under the same standards, the Trust is not considered a trustee in accordance with a charitable trust agreement. Accordingly, support and revenue are recognized when received. Expenses are recognized when paid. All personnel and other expenses are administrative in nature. The modification from cash basis is that investments are carried at fair value and classified as available-for-sale. The process of preparing financial statements generally requires the use of estimates and assumptions in measuring and recording certain types of transactions and balances.

Cash and cash equivalents: Cash and cash equivalents include demand deposits and investments that are highly liquid instruments with original maturities of three months or less.

Investments: Investments are recorded at fair value. Investment income realized and unrealized gains and losses are recorded in the statement of support, revenue, and change in net assets net of investment fees (see Note 3).

Fair value of financial instruments: The following methods and assumptions were used to estimate the fair value of each class of the Trust's financial instruments at December 31, 2024 and 2023:

Investment securities: The fair values of fixed-income, certificate of deposits and equity investments are based on quoted market prices at the reporting date for those investments. The fair value of alternative investments have been estimated using the net asset value of the investments.

Contributions, donor-imposed restrictions and classes of net assets: Contributions received by the Trust that are restricted by donors for use in designated programs of the Church are reported as increases in net assets with donor restrictions. Contributions received by the Trust that are permanently restricted by donors are treated as endowment principal that can never be expended; such contributions are reported as increases in net assets with donor restrictions. All other contributions received by the Trust are reported as increases in net assets without donor restrictions. The Trust maintains two donor-advised funds. Donor-advised funds are available for grant disbursement generally based on donor recommendation. All investment income and losses are reported as increases or decreases in net assets without donor restrictions unless the donor specifies otherwise.

Functional classification: The Trust has one program that is dedicated to the management and investment of all assets donated for the use and benefit of the various Church programs. Supporting services are minimal and included in other grants and expenses under management and general.

Concentration of credit risk: From time to time, the Trust maintains cash balances with financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limit. The Trust has experienced no loss as a result of this risk.

Village Presbyterian Church Endowment Trust

Notes to Financial Statements—Modified Cash Basis

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Concentration of credit risk: From time to time, the Trust maintains cash balances with financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limit. The Trust has experienced no loss as a result of this risk.

Use of estimates: The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of investments at the date of the financial statements. Actual results could differ from those estimates.

Income taxes: The Trust has received a tax determination letter from the Internal Revenue Service (IRS) stating that it qualifies under the provisions of section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes. As such, the Trust is subject to federal income taxes only on any net unrelated business income under the provision of section 511 of the Code.

Reclassification: In the current year, endowment investments were included in the liquidity footnote. As such, prior year was updated to properly reflect the change. There was no change in total assets available as reported from prior year.

Subsequent events: The Trust has evaluated and disclosed subsequent events up to and including August 29, 2025, which is the date the financial statements were available to be issued. Through this date there were no significant events requiring disclosure or adjustment.

Note 2. Liquidity and Availability

The Trust calculates the amount of grants for the following fiscal year in order to identify the grant cash requirements and administrative costs. The calculations are based on a five-year moving average of investments and allow for the Church to plan for all cash requirements in advance of the upcoming fiscal year. The cash flow requirements are monitored by the Trust quarterly throughout the year to verify that the Church is meeting the cash flow requirements.

The table below represents financial assets available for general expenditures within one year of December 31, 2024 and 2023:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 516,865	\$ 962,979
Investments	29,404,600	26,733,525
Endowment investments	399,670	399,670
Total financial assets	30,321,135	28,096,174
Less amount not available to be used within one year:		
Investments	29,404,600	26,733,525
Endowment investments	399,670	399,670
Financial assets not available to be used within one year	29,804,270	27,133,195
Financial assets available to meet general expenditures within one year	\$ 516,865	\$ 962,979

Village Presbyterian Church Endowment Trust

Notes to Financial Statements—Modified Cash Basis

Note 3. Investment Fair Value Measurements

Fair value is defined as 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 in its principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. The Trust accounts for its investments at fair value. In accordance with the guidance, the Trust has categorized its investments based on the priority of the inputs to the valuation technique, which gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs are quoted prices for identical instruments traded in active markets.

Level 2: Inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, or derived from inputs that are observable.

Level 3: Inputs are significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities recorded at fair value on a recurring basis: A description of the valuation methodologies used for assets and liabilities recorded at fair value on a recurring basis is set forth below.

Investments: Where quoted prices are available in active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would include highly liquid government bonds and exchange-traded equities. If quoted market prices of securities with similar characteristics, or discounted cash flow. Level 2 securities would include certificate of deposits and other securities.

Alternative investments: Alternative investments are valued using the practical expedient. The practical expedient allows for the use of net asset value of shares held at year-end either as reported by the investee or as adjusted by the Trust based on various factors, including capital calls, proceeds from distributions, and gains and losses that are included in earnings and recorded in statements of support, revenues, expenses and changes in net assets.

The following tables summarize the assets measured at fair value on a recurring basis, segregated by the general classification of such instruments pursuant to the valuation hierarchy:

	December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Fixed income	\$ 7,312,580	\$ -	\$ -	\$ 7,312,580
Equity securities	21,099,247	-	-	21,099,247
Certificate of deposit	-	240,000	-	240,000
	<u>\$ 28,411,827</u>	<u>\$ 240,000</u>	<u>\$ -</u>	<u>28,651,827</u>
Alternative investments valued at net asset value (NAV):				1,152,444
Total investments				<u>\$ 29,804,271</u>

Village Presbyterian Church Endowment Trust

Notes to Financial Statements—Modified Cash Basis

Note 3. Investment Fair Value Measurements (Continued)

	December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Fixed income	\$ 5,953,657	\$ -	\$ -	\$ 5,953,657
Equity securities	19,702,937	-	-	19,702,937
Certificate of deposit	-	240,000	-	240,000
	<u>\$ 25,656,594</u>	<u>\$ 240,000</u>	<u>\$ -</u>	<u>25,896,594</u>
Alternative investments valued at net asset value (NAV):				1,236,601
Total investments				<u>\$ 27,133,195</u>

The Trust does not have assets and liabilities recorded at fair market value on a nonrecurring basis at December 31, 2024 and 2023.

Investment return for 2024 and 2023 is summarized as follows:

	2024	2023
Interest and dividends	\$ 712,866	\$ 656,243
Realized and unrealized gain on investments	2,591,894	3,429,917
Investment management fees	(65,743)	(60,621)
Total investment return	<u>\$ 3,239,017</u>	<u>\$ 4,025,539</u>

The following table sets forth additional disclosures of investments whose fair value is estimated using net asset value per share (or its equivalent) as of December 31:

Investments	Fair Value at December 31,		Unfunded	Redemption	Redemption
	2024	2023	Commitment	Frequency	Notice Period
Investment in real estate (a)	\$ 1,152,444	\$ 1,236,601	\$ -	Quarterly	90 days
	<u>\$ 1,152,444</u>	<u>\$ 1,236,601</u>			

(a) This private real estate fund seeks an investment return that approximates, as closely as practicable, before expenses, the performance of the Vanguard Private Real Estate Fund over the long term.

Note 4. Endowment

Background: The Trust maintains an endowment whose main purpose is to support the Church. Its endowment includes only donor-restricted endowment funds.

The Trust classifies as net assets with donor restrictions the original value of gifts where the corpus is not to be used and net assets without donor restrictions for the earnings from these gifts.

Village Presbyterian Church Endowment Trust

Notes to Financial Statements—Modified Cash Basis

Note 4. Endowment (Continued)

Interpretation of state law: The State of Kansas adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) during 2009. The Trust's Board of Trustees has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Trust classifies as net assets with donor restrictions: (1) the original value of gifts donated to the permanent endowment, (2) subsequent gifts to the endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Trust in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Trust considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Trust and the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Trust
- The investment policies of the Trust

Endowment net asset composition as of December 31, 2024 and 2023:

	With Donor Restrictions	
	2024	2023
Donor-restricted endowment funds-church support	\$ 399,670	\$ 399,670
	<u>\$ 399,670</u>	<u>\$ 399,670</u>

There were no changes in endowment net assets during the years ended December 31, 2024 and 2023.

Return objectives and risk parameters: The Trust has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while ensuring that the purchasing power of the endowment assets do not decline over time.

Strategies employed for achieving objectives: To satisfy its long-term rate of return objectives, the Trust relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust targets a low-risk asset allocation.

Spending policy and how the investment objectives relate to spending policy: The Trust's spending policy is established based on donor agreements, which specify payouts of interest and dividends.

Village Presbyterian Church Endowment Trust

Notes to Financial Statements—Modified Cash Basis

Note 4. Endowment (Continued)

Endowment presentation in the accompanying financial statements: All donor-restricted endowment funds are classified as net assets with donor restrictions in the statements of assets, liabilities and net assets—modified cash basis.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the historical amount donated. As of December 31, 2024 and 2023, none of the Trust's donor-restricted endowment funds were underwater.