

Village Presbyterian Church

Combined Financial Report—Modified Cash Basis
January 31, 2025

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Independent Auditor's Report

Board of Trustees
Village Presbyterian Church

Report on the Audit of the Financial Statements**Opinion**

We have audited the combined financial statements of Village Presbyterian Church (the Church), which comprise the combined statements of assets, liabilities and net assets—modified cash basis as of January 31, 2025 and 2024, the related combined statements of support, revenues expenses and changes in net assets—modified cash basis and functional expenses—modified cash basis for the years then ended, and the related notes to the combined financial statements—modified cash basis (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Church as of January 31, 2025 and 2024, 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 audit 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 Church 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 a 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 Church'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 Church'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The combining information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual entities and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Kansas City, Missouri
August 29, 2025

Village Presbyterian Church

Combined Statements of Assets, Liabilities and Net Assets—Modified Cash Basis
January 31, 2025 and 2024

| | 2025 | 2024 |
|----------------------------|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,982,620 | \$ 3,322,087 |
| Investments, at fair value | 31,840,618 | 30,363,819 |
| Endowment investments | 399,670 | 399,670 |
| Total assets | \$ 34,222,908 | \$ 34,085,576 |
| Net Assets | | |
| Net assets: | | |
| Without donor restrictions | \$ 33,242,571 | \$ 33,573,099 |
| With donor restrictions | 980,337 | 512,477 |
| Total net assets | \$ 34,222,908 | \$ 34,085,576 |

See notes to combined financial statements—modified cash basis.

Village Presbyterian Church

**Combined Statements of Support, Revenues, Expenses and Changes in Net Assets—
Modified Cash Basis
Years Ended January 31, 2025 and 2024**

| | 2025 | 2024 |
|--|-------------------|---------------------|
| Changes in net assets without donor restrictions: | | |
| Support: | | |
| Contributions and other revenue | \$ 8,198,379 | \$ 9,532,013 |
| Net assets released from restrictions | 166,661 | 508,967 |
| Total support | 8,365,040 | 10,040,980 |
| Revenues: | | |
| Investment income | 3,416,697 | 4,153,487 |
| Other income, net | 279,328 | 392,654 |
| Net revenues | 3,696,025 | 4,546,141 |
| Net support and revenues | 12,061,065 | 14,587,121 |
| Expenses: | | |
| Program services: | | |
| Church | 1,608,785 | 1,117,006 |
| Dominican Republic Medical Partnership (DRMP) | 225,750 | 232,227 |
| Supporting services | 10,557,058 | 9,622,814 |
| Total expenses | 12,391,593 | 10,972,047 |
| Change in net assets without donor restrictions | (330,528) | 3,615,074 |
| Changes in net assets with donor restrictions: | | |
| Contributions | 634,521 | 530,841 |
| Net assets released from restrictions | (166,661) | (508,967) |
| Change in net assets with donor restrictions | 467,860 | 21,874 |
| Change in net assets | \$ 137,332 | \$ 3,636,948 |

See notes to combined financial statements—modified cash basis.

Village Presbyterian Church

**Combined Statement of Functional Expenses—Modified Cash Basis
Year Ended January 31, 2025**

| | Program Services | | Supporting Services | | | Total Expenses |
|-----------------------|---------------------|-------------------|----------------------|-------------------|------------------|----------------------|
| | Church | DRMP | Church | Next Church | Trust | |
| Mission grants | \$ 360,554 | \$ 225,750 | \$ - | \$ - | \$ - | \$ 586,304 |
| Grants | 455,768 | - | - | - | - | 455,768 |
| Capital purchases | 792,463 | - | - | - | - | 792,463 |
| Salaries and benefits | - | - | 6,099,824 | - | - | 6,099,824 |
| Administrative | - | - | 325,105 | 357 | 65,819 | 391,281 |
| Operations | - | - | 2,574,478 | 402,902 | 30,009 | 3,007,389 |
| Facilities | - | - | 1,058,564 | - | - | 1,058,564 |
| Total expenses | \$ 1,608,785 | \$ 225,750 | \$ 10,057,971 | \$ 403,259 | \$ 95,828 | \$ 12,391,593 |

See notes to combined financial statements—modified cash basis.

Village Presbyterian Church

**Combined Statement of Functional Expenses—Modified Cash Basis
Year Ended January 31, 2024**

| | Program Services | | Supporting Services | | | Total Expenses |
|-----------------------|---------------------|-------------------|---------------------|-------------------|------------------|----------------------|
| | Church | DRMP | Church | Next Church | Trust | |
| Mission grants | \$ 394,823 | \$ 232,227 | \$ - | \$ - | \$ - | \$ 627,050 |
| Grants | 513,881 | - | - | - | - | 513,881 |
| Capital purchases | 208,302 | - | - | - | - | 208,302 |
| Salaries and benefits | - | - | 5,950,912 | - | - | 5,950,912 |
| Administrative | - | - | 277,301 | 384 | 58,814 | 336,499 |
| Operations | - | - | 2,159,744 | 202,669 | - | 2,362,413 |
| Facilities | - | - | 972,990 | - | - | 972,990 |
| Total expenses | \$ 1,117,006 | \$ 232,227 | \$ 9,360,947 | \$ 203,053 | \$ 58,814 | \$ 10,972,047 |

See notes to combined financial statements—modified cash basis.

Village Presbyterian Church

Notes to Combined Financial Statements—Modified Cash Basis

Note 1. Summary of Significant Accounting Policies

Organization: The accompanying combined financial statements (collectively, the financial statements) include the accounts of Village Presbyterian Church (the Church), organized in Prairie Village, Kansas, and all other related affiliates under common control, specifically including Village Presbyterian Church Endowment Trust (the Trust), a Kansas nonprofit corporation formed exclusively for the benefit of the Church. Grants and other transfers between and among the entities, if any, have been eliminated in the combination of these financial statements, along with all other intercompany transactions and balances.

The Church has two main related affiliates that are broken out in the supplementary information: Next Church and Dominican Republic Medical Partnership. Next Church is a ministry of the Church whose operations are performed by independent contractors who work for the Church. All contributions are recorded as restricted solely for the use of Next Church. Starting in fiscal year 2025, Next Church has been incorporated as a nonprofit corporation and has become its own ministry. Grants and other transfers between and among the entities, if any, have been eliminated in the combination of these financial statements, along with all other intercompany transactions and balances.

Dominican Republic Medical Partnership is a ministry of the Church whose operations are performed by independent contractors who work for the Church. All contributions are recorded as restricted solely for the use of Dominican Republic Medical Partnership. Grants and other transfers between and among the entities, if any, have been eliminated in the combination of these financial statements, along with all other intercompany transactions and balances.

Significant accounting policies:

Basis of accounting: These financial statements have been prepared on the modified cash basis of accounting. Accordingly, support and revenue are recognized when received. Expenses are recognized when paid, specifically including expenditures for property and equipment, which are neither capitalized nor depreciated for financial reporting purposes, and payments on debt instruments. Modifications from the cash basis are that investments are carried at fair value and classified as available-for-sale.

Fiscal year: The Trust has a fiscal year-end of December 31 and combined activity reported within these financial statements is as of and for the years ended December 31, 2024 and 2023. Eliminations between the Church and Trust are based on balances at January 31, 2025 and December 31, 2024, according to the Church's records. Differences between the amounts at January 31 and December 31 are immaterial.

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: The Church carries its investments at their fair values determined by reference to public exchanges or other brokered information (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 Church's financial instruments:

Cash and cash equivalents: The carrying amount approximates fair value because of the short maturity of these instruments.

Village Presbyterian Church

Notes to Combined Financial Statements—Modified Cash Basis

Note 1. Summary of Significant Accounting Policies (Continued)

Investment securities: The fair values of fixed-income and equity investments are based on quoted market prices at the reporting date for those or similar investments. The fair values of certificates of deposit, bonds, and fixed-rate term notes are based on quoted for similar assets in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs. The fair value of money market accounts are recorded at \$1 per unit. 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: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions and increase that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Church and affiliates reports as support without donor restrictions. The Trust maintains two donor-advised funds. Donor-advised funds are available for grant disbursement based on donor recommendation.

Tuition: The Church records tuition related to pre-school, which has two locations, and daycare that has one location. Tuition is recorded on set fees and billings sent to the families. Tuition varies from type of services (i.e. mornings, full day, afternoons, etc.). Tuition is recorded within contributions and other revenue without donor restrictions on the combined statements of assets, liabilities and net assets—modified cash basis.

Functional classification: The Church and affiliates has several types of program expenses that support the overall mission. Expenses reported as supporting services reflect the actual expenses incurred for all campuses based on salaries and benefits, administrative and operations, and facilities.

Concentration of credit risk: From time to time, the Church and affiliates maintains cash balances with financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limit. The Church 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.

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.

Income taxes: The Church 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 Church is subject to federal income taxes only on any net unrelated business income under the provision of section 511 of the Code.

Subsequent events: Subsequent events have been evaluated through August 29, 2025, which is the date when the accompanying financial statements were available to be issued.

Village Presbyterian Church

Notes to Combined Financial Statements—Modified Cash Basis

Note 2. Liquidity and Availability

The Church regularly monitors liquidity that is required to meet its annual operational needs and contractual commitments while also striving to maximize the return on investments for those funds not required for annual operations. The Church has various sources of liquidity, including cash and cash equivalents to fund operations. The Church also receives unrestricted donor gifts that can be utilized to fund Church operations.

The Church has an endowment trust that 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 annual grants from the endowment trust to the Church are conditional in nature, and the full amount available may not be granted in any given year. The cash flow requirements are monitored by the endowment trust quarterly throughout the year to verify that the Church is meeting the cash flow requirements.

All Capital Campaign, Next Church and Dominican Republic Medical Partnership contributions are restricted for the operations of those programs and are not available to support general Church operations.

The table below represents financial assets available for general expenditures within one year of January 31, 2025 and 2024:

| | 2025 | 2024 |
|---|---------------------|---------------------|
| Financial assets at year-end: | | |
| Cash and cash equivalents | \$ 1,982,620 | \$ 3,322,087 |
| Investments | 31,840,618 | 30,363,819 |
| Endowment investments | 399,670 | 399,670 |
| Total financial assets | <u>34,222,908</u> | <u>34,085,576</u> |
| Less amount not available to be used within one year: | | |
| Cash and cash equivalents related to Next Church and DRMP | 112,640 | 308,645 |
| Investments in Presbyterian Church term note | 16,793 | 16,406 |
| Endowment investments | 399,670 | 399,670 |
| Capital campaign | 165,500 | - |
| Church investments | <u>28,159,702</u> | <u>26,432,524</u> |
| Financial assets not available to be used within one year | <u>28,854,305</u> | <u>27,157,245</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 5,368,603</u> | <u>\$ 6,928,331</u> |

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 Church accounts for its investments at fair value. In accordance with the guidance, the Church 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

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

Village Presbyterian Church

Notes to Combined Financial Statements—Modified Cash Basis

Note 3. Investment Fair Value Measurements (Continued)

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.

As of January 31, 2025 and 2024, the fair value of investments is summarized as follows:

| 2025 | | | | |
|---|--|---|--|----------------------|
| | 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 |
| Certificates of deposit | - | 2,436,679 | - | 2,436,679 |
| Fixed-rate term note | - | 16,793 | - | 16,793 |
| Bonds | - | 75,000 | - | 75,000 |
| Money market funds | 147,545 | - | - | 147,545 |
| | <u>\$ 28,559,372</u> | <u>\$ 2,528,472</u> | <u>\$ -</u> | <u>31,087,844</u> |
| Alternative investments valued at net asset value (NAV): | | | | 1,152,444 |
| Total investments | | | | <u>\$ 32,240,288</u> |
| 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 | \$ 5,953,657 | \$ - | \$ - | \$ 5,953,657 |
| Equity securities | 19,702,937 | - | - | 19,702,937 |
| Certificates of deposit | - | 2,678,288 | - | 2,678,288 |
| Fixed-rate term note | - | 16,406 | - | 16,406 |
| Bonds | - | 1,035,000 | - | 1,035,000 |
| Money market funds | 140,600 | - | - | 140,600 |
| | <u>\$ 25,797,194</u> | <u>\$ 3,729,694</u> | <u>\$ -</u> | <u>29,526,888</u> |
| Alternative investments valued at net asset value (NAV): | | | | 1,236,601 |
| | | | | <u>\$ 30,763,489</u> |

Village Presbyterian Church

Notes to Combined Financial Statements—Modified Cash Basis

Note 3. Investment Fair Value Measurements (Continued)

Investment returns for the years ended January 31, 2025 and 2024 are summarized as follows:

| | 2025 | | |
|--|-------------------|---------------------|---------------------|
| | Church | Trust | Combined Totals |
| Interest and dividends | \$ 177,680 | \$ 712,866 | \$ 890,546 |
| Realized and unrealized gain on disposition of investments | - | 2,591,894 | 2,591,894 |
| Investment management fees | - | (65,743) | (65,743) |
| Total investment return | <u>\$ 177,680</u> | <u>\$ 3,239,017</u> | <u>\$ 3,416,697</u> |
| | | | |
| | 2024 | | |
| | Church | Trust | Combined Totals |
| Interest and dividends | \$ 127,948 | \$ 656,243 | \$ 784,191 |
| Realized and unrealized gain on disposition of investments | - | 3,429,917 | 3,429,917 |
| Investment management fees | - | (60,621) | (60,621) |
| Total investment return | <u>\$ 127,948</u> | <u>\$ 4,025,539</u> | <u>\$ 4,153,487</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 January 31, 2025:

| Investments | Fair Value at January 1 | | Unfunded Commitment | Redemption Frequency | Redemption Notice Period |
|-------------------------------|-------------------------|---------------------|---------------------|----------------------|--------------------------|
| | 2025 | 2024 | | | |
| 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 Church maintains an endowment within the Trust whose main purpose is to support the Church. Its endowment includes only donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America (U.S. GAAP), net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

The Church and Trust classify 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

Notes to Combined 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), which the Church's and Trust's Board of Trustees has interpreted 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 Church and 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 Church in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Church 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 Church and 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 Church and Trust
- The investment policies of the Church and Trust

Endowment net asset composition as of January 31, 2025 and 2024:

| | With Donor Restrictions | |
|---|-------------------------|-------------------|
| | 2025 | 2024 |
| 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 January 31, 2025 and 2024.

Return objectives and risk parameters: The Church and 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 does not decline over time.

Strategies employed for achieving objectives: To satisfy long-term rate of return objectives, the Church and Trust rely 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 Church and Trust target a low-risk asset allocation.

Village Presbyterian Church

Notes to Combined Financial Statements—Modified Cash Basis

Note 4. Endowment (Continued)

Spending policy and how the investment objectives relate to spending policy: The Church's and Trust's spending policies are established based on donor agreements that specify payouts of interest and dividends. All accumulations are for general purpose.

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

From time to time, fair value of assets associated with individual donor restricted endowment funds may fall below the historical amount donated. As of January 31, 2025 and 2024, none of the Church's donor-restricted endowment funds were underwater.

Note 5. Aggregated Capital Expenditures

As of January 31, 2025 and 2024, cumulative aggregate expenditures for property and equipment are summarized as follows:

| | 2025 | 2024 |
|--|----------------------|----------------------|
| Land and improvements | \$ 838,011 | \$ 838,011 |
| VOM Church building | 26,272,472 | 25,539,213 |
| Meneilly Center | 12,874,807 | 12,874,807 |
| Tillotson Building | 68,907 | 66,196 |
| CFDC | 88,632 | 53,408 |
| VOA Church building | 480,913 | 467,357 |
| Equipment and furnishings | 7,372,598 | 7,364,885 |
| Cumulative aggregate expenditures for property and equipment | <u>\$ 47,996,340</u> | <u>\$ 47,203,877</u> |

Note 6. Future Lease Commitments

The Church leases office equipment under the terms of multiple operating leases with varying expiration dates through 2027. Amounts paid on noncancelable operating leases for the years ended January 31, 2025 and 2024, were \$14,028 and \$11,246, respectively. Minimum future lease payments under these leases as of January 31, 2025, are:

| | |
|-------------------------------------|------------------|
| Years ending January 31: | |
| 2026 | \$ 11,040 |
| 2027 | 2,532 |
| Total minimum future lease payments | <u>\$ 13,572</u> |

Village Presbyterian Church

Notes to Combined Financial Statements—Modified Cash Basis

Note 7. Net Assets With Donor Restrictions

As of January 31, 2025 and 2024, net assets with donor restrictions consisted of the following:

| | 2025 | 2024 |
|---|-------------------|-------------------|
| Net assets with donor restrictions: | | |
| Church programs | \$ 415,167 | \$ 112,807 |
| Capital campaign | 165,500 | - |
| Village Presbyterian Church Endowment Trust | 399,670 | 399,670 |
| | <u>\$ 980,337</u> | <u>\$ 512,477</u> |

For the years ended January 31, 2025 and 2024, net assets of \$166,661 and \$508,967, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors. All restrictions satisfied during the years ended January 31, 2025 and 2024, were for Church programs.

Note 8. Defined Contribution Retirement Plan and Ministerial Benefit Plan

The Church sponsors a defined contribution retirement plan for all full-time lay employees. Participants are fully vested upon entry into the plan. The Church contributes up to 6% of each lay employee's salary to the plan, which can be invested in several tax-sheltered annuity plans as directed by the participant. Lay employees have the option of making further contributions through payroll deductions. For the years ended January 31, 2025 and 2024, the Church paid \$166,509 and \$169,051, respectively, into this plan.

A comprehensive program of pension, medical, and other benefits for ministers is provided under the Presbyterian Pension and Benefits Plan. Contributions to the plan are made by the Church based on the ministers' cash salary plus certain allowances. For the years ended January 31, 2025 and 2024, the Church paid \$210,285 and \$229,267, respectively, into this plan.

Supplementary Information

Village Presbyterian Church

Combining Statements of Assets and Net Assets—Modified Cash Basis January 31, 2025

| | Church | Next Church | Dominican Republic Medical Partnership | Total Church Operating | Trust | Total Combined |
|----------------------------|---------------------|------------------|--|------------------------------|----------------------|----------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 1,353,111 | \$ 1,836 | \$ 110,808 | \$ 1,465,755 | \$ 516,865 | \$ 1,982,620 |
| Investments, at fair value | 2,361,017 | 75,000 | - | 2,436,017 | 29,404,601 | 31,840,618 |
| Endowment investments | - | - | - | - | 399,670 | 399,670 |
| Total assets | \$ 3,714,128 | \$ 76,836 | \$ 110,808 | \$ 3,901,772 | \$ 30,321,136 | \$ 34,222,908 |
| Net Assets | | | | | | |
| Net assets: | | | | | | |
| Without donor restrictions | \$ 3,133,461 | \$ 76,836 | \$ 110,808 | \$ 3,321,105 | \$ 29,921,466 | \$ 33,242,571 |
| With donor restrictions | 580,667 | - | - | 580,667 | 399,670 | 980,337 |
| Total net assets | \$ 3,714,128 | \$ 76,836 | \$ 110,808 | \$ 3,901,772 | \$ 30,321,136 | \$ 34,222,908 |

Village Presbyterian Church

Combining Statements of Assets and Net Assets—Modified Cash Basis

January 31, 2024

| | Church | Next Church | Dominican Republic Medical Partnership | Total Church Operating | Trust | Total Combined |
|----------------------------|---------------------|---------------------|--|------------------------------|----------------------|----------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 2,050,459 | \$ 175,757 | \$ 132,891 | \$ 2,359,107 | \$ 962,980 | \$ 3,322,087 |
| Investments, at fair value | 2,595,294 | 1,035,000 | - | 3,630,294 | 26,733,525 | 30,363,819 |
| Endowment investments | - | - | - | - | 399,670 | 399,670 |
| Total assets | \$ 4,645,753 | \$ 1,210,757 | \$ 132,891 | \$ 5,989,401 | \$ 28,096,175 | \$ 34,085,576 |
| Net Assets | | | | | | |
| Net assets: | | | | | | |
| Without donor restrictions | \$ 4,532,946 | \$ 1,210,757 | \$ 132,891 | \$ 5,876,594 | \$ 27,696,505 | \$ 33,573,099 |
| With donor restrictions | 112,807 | - | - | 112,807 | 399,670 | 512,477 |
| Total net assets | \$ 4,645,753 | \$ 1,210,757 | \$ 132,891 | \$ 5,989,401 | \$ 28,096,175 | \$ 34,085,576 |

Village Presbyterian Church

Combining Statements of Support, Revenues and Expenses—Modified Cash Basis Year Ended January 31, 2025

| | Church | Next Church | Dominican Republic Medical Partnership | Total Church Operating | Trust | Total Combined |
|---|---------------------|-----------------------|--|------------------------------|---------------------|-------------------|
| Support and revenues: | | | | | | |
| Support: | | | | | | |
| Contributions and other revenue: | | | | | | |
| Without donor restrictions | \$ 8,570,887 | \$ (730,662) | \$ 203,667 | \$ 8,043,892 | \$ 321,148 | \$ 8,365,040 |
| With donor restrictions | 634,521 | - | - | 634,521 | - | 634,521 |
| Net asset releases | (166,661) | - | - | (166,661) | - | (166,661) |
| Grants from the Trust | 1,268,967 | - | - | 1,268,967 | (1,268,967) | - |
| Net support | 10,307,714 | (730,662) | 203,667 | 9,780,719 | (947,819) | 8,832,900 |
| Revenues: | | | | | | |
| Investment income | 177,680 | - | - | 177,680 | 3,239,017 | 3,416,697 |
| Other income, net | 249,737 | - | - | 249,737 | 29,591 | 279,328 |
| Total revenues | 427,417 | - | - | 427,417 | 3,268,608 | 3,696,025 |
| Total support and revenues | 10,735,131 | (730,662) | 203,667 | 10,208,136 | 2,320,789 | 12,528,925 |
| Expenses: | | | | | | |
| Program services: | | | | | | |
| Church | 1,608,785 | - | - | 1,608,785 | - | 1,608,785 |
| Dominican Republic Medical Partnership (DRMP) | - | - | 225,750 | 225,750 | - | 225,750 |
| Supporting services | 10,057,971 | 403,259 | - | 10,461,230 | 95,828 | 10,557,058 |
| Total expenses | 11,666,756 | 403,259 | 225,750 | 12,295,765 | 95,828 | 12,391,593 |
| Change in net assets: | | | | | | |
| Without donor restrictions | (1,399,485) | (1,133,921) | (22,083) | (2,555,489) | 2,224,961 | (330,528) |
| With donor restrictions | 467,860 | - | - | 467,860 | - | 467,860 |
| Total change in net assets | \$ (931,625) | \$ (1,133,921) | \$ (22,083) | \$ (2,087,629) | \$ 2,224,961 | \$ 137,332 |

Village Presbyterian Church

Combining Statements of Support, Revenues and Expenses—Modified Cash Basis Year Ended January 31, 2024

| | Church | Next Church | Dominican Republic Medical Partnership | Total Church Operating | Trust | Total Combined |
|---|---------------------|-------------------|--|------------------------------|---------------------|---------------------|
| Support and revenues: | | | | | | |
| Support: | | | | | | |
| Contributions and other revenue: | | | | | | |
| Without donor restrictions | \$ 8,577,248 | \$ 361,659 | \$ 268,389 | \$ 9,207,296 | \$ 833,684 | \$ 10,040,980 |
| With donor restrictions | 530,841 | - | - | 530,841 | - | 530,841 |
| Net asset releases | (508,967) | - | - | (508,967) | - | (508,967) |
| Grants from the Trust | 1,159,012 | - | - | 1,159,012 | (1,159,012) | - |
| Net support | 9,758,134 | 361,659 | 268,389 | 10,388,182 | (325,328) | 10,062,854 |
| Revenues: | | | | | | |
| Investment income | 127,948 | - | - | 127,948 | 4,025,539 | 4,153,487 |
| Other income, net | 381,404 | - | - | 381,404 | 11,250 | 392,654 |
| Total revenues | 509,352 | - | - | 509,352 | 4,036,789 | 4,546,141 |
| Total support and revenues | 10,267,486 | 361,659 | 268,389 | 10,897,534 | 3,711,461 | 14,608,995 |
| Expenses: | | | | | | |
| Program services: | | | | | | |
| Church | 1,117,006 | - | - | 1,117,006 | - | 1,117,006 |
| Dominican Republic Medical Partnership (DRMP) | - | - | 232,227 | 232,227 | - | 232,227 |
| Supporting services | 9,360,947 | 203,053 | - | 9,564,000 | 58,814 | 9,622,814 |
| Total expenses | 10,477,953 | 203,053 | 232,227 | 10,913,233 | 58,814 | 10,972,047 |
| Change in net assets: | | | | | | |
| Without donor restrictions | (232,341) | 158,606 | 36,162 | (37,573) | 3,652,647 | 3,615,074 |
| With donor restrictions | 21,874 | - | - | 21,874 | - | 21,874 |
| Total change in net assets | \$ (210,467) | \$ 158,606 | \$ 36,162 | \$ (15,699) | \$ 3,652,647 | \$ 3,636,948 |