



**CHURCH OF GOD™**  
(SEVENTH DAY) UNITED STATES & CANADA

**THE GENERAL CONFERENCE OF THE  
CHURCH OF GOD (SEVENTH DAY)**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023 AND 2021**

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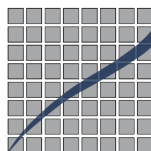
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## BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

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Board of Directors and Members

**The General Conference of the Church of God (Seventh Day)**

Denver, Colorado

#### Opinion

We have audited the accompanying financial statements of The General Conference of the Church of God (Seventh Day) (a nonprofit organization), which comprise the statements of financial position as of March 31, 2023 and 2021, and the related statements of activities, functional expenses, and cash flows for the two years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The General Conference of the Church of God (Seventh Day) as of March 31, 2023 and 2021, and the changes in its net assets and its cash flows for the two years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of The General Conference of the Church of God (Seventh Day) 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.

#### Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The General Conference of the Church of God (Seventh Day)'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 General Conference of the Church of God (Seventh Day)'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 General Conference of the Church of God (Seventh Day)'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.

*BiggsKofford, P.C.*

Denver, Colorado  
June 19, 2023

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2023 AND 2021**

<b><u>ASSETS</u></b>	<b><u>2023</u></b>	<b><u>2021</u></b>
Cash and equivalents	\$ 958,394	\$ 509,207
Accounts receivable	44,573	22,018
Investments	693,865	660,906
Property and equipment, net	442,003	506,855
Intangible assets, net	15,685	19,152
Other assets	11,463	17,102
Endowment assets	629,807	660,849
<b>Total assets</b>	<b><u>\$ 2,795,790</u></b>	<b><u>\$ 2,396,089</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 146,043	\$ 143,223
<b>Total liabilities</b>	<b><u>146,043</u></b>	<b><u>143,223</u></b>
Net assets:		
Without donor restrictions:		
Operating	150,547	61,223
Board-designated	1,076,960	771,034
Equity in property, equipment and intangible assets	457,688	526,007
<b>Total net assets without donor restrictions</b>	<b><u>1,685,195</u></b>	<b><u>1,358,264</u></b>
With donor restrictions	964,552	894,602
<b>Total net assets</b>	<b><u>2,649,747</u></b>	<b><u>2,252,866</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 2,795,790</u></b>	<b><u>\$ 2,396,089</u></b>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions	\$ 2,687,479	\$ 810,147	\$ 3,497,626
Sales	434,955	-	434,955
Tuition and fees	125,959	-	125,959
Investment income	28,252	-	28,252
Convention income	56,228	-	56,228
Other income	51,597	-	51,597
<b>Total support and revenue</b>	<b>3,384,470</b>	<b>810,147</b>	<b>4,194,617</b>
<b><u>RECLASSIFICATIONS</u></b>			
Net assets released from restrictions	740,197	(740,197)	-
<b><u>EXPENSES</u></b>			
Program expenses	3,020,180	-	3,020,180
General and administrative	722,763	-	722,763
Fundraising	54,793	-	54,793
<b>Total expenses</b>	<b>3,797,736</b>	<b>-</b>	<b>3,797,736</b>
<b>Change in net assets</b>	<b>326,931</b>	<b>69,950</b>	<b>396,881</b>
<b>Net assets, beginning of period</b>	<b>1,358,264</b>	<b>894,602</b>	<b>2,252,866</b>
<b>Net assets, end of period</b>	<b>\$ 1,685,195</b>	<b>\$ 964,552</b>	<b>\$ 2,649,747</b>

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**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions	\$ 2,046,398	\$ 763,145	\$ 2,809,543
Sales	406,285	-	406,285
Tuition and fees	163,669	-	163,669
Investment income	168,214	-	168,214
Convention income	162,050	-	162,050
Grant income	200,436	-	200,436
Other income	40,245	-	40,245
Total support and revenue	3,187,297	763,145	3,950,442
<b><u>RECLASSIFICATIONS</u></b>			
Net assets released from restrictions	695,278	(695,278)	-
<b><u>EXPENSES</u></b>			
Program expenses	3,258,102	-	3,258,102
General and administrative	688,240	-	688,240
Fundraising	57,767	-	57,767
Total expenses	4,004,109	-	4,004,109
Change in net assets	(121,534)	67,867	(53,667)
Net assets, beginning of period	1,479,798	826,735	2,306,533
Net assets, end of period	<u>\$ 1,358,264</u>	<u>\$ 894,602</u>	<u>\$ 2,252,866</u>

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**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2023**

	Program	General and Administrative	Fundraising	Total
Salaries and benefits	\$1,481,666	\$ 244,039	\$ 17,431	\$1,743,137
Foreign ministry	740,197	-	-	740,197
Professional fees	43,920	131,759	-	175,678
Mission ministries	112,476	-	-	112,476
Postage	75,210	26,861	5,372	107,443
Computer	40,658	60,986	-	101,644
Printing	75,543	9,443	9,443	94,429
Outside labor	74,438	13,957	4,652	93,048
Convention	73,431	8,639	4,319	86,389
Depreciation and amortization	37,575	31,903	1,418	70,896
Honorariums and benevolence	57,105	-	-	57,105
Equipment lease	22,236	22,236	-	44,472
Board and district meetings	6,823	35,819	-	42,642
Telephone	29,517	7,871	1,968	39,356
Insurance	27,883	9,294	-	37,177
Travel	27,723	9,241	-	36,964
Bank charges	18,351	18,351	-	36,701
Utilities	-	35,810	-	35,810
Promotions	23,612	-	5,903	29,515
Miscellaneous	14,317	14,317	-	28,633
Maintenance	-	28,188	-	28,188
Web development and branding	6,300	3,150	3,150	12,600
Office supplies	5,665	5,665	-	11,330
Issachar Forum	8,891	-	988	9,879
Merchandise and books	5,895	-	-	5,895
MTS School	5,620	-	-	5,620
Meals, lodging, and entertainment	2,892	964	-	3,856
Mail and internet	1,774	1,035	148	2,956
Fees and licenses	-	1,859	-	1,859
Property and sales tax	-	1,377	-	1,377
Bad debt	464	-	-	464
<b>Total</b>	<b>\$3,020,180</b>	<b>\$ 722,763</b>	<b>\$ 54,793</b>	<b>\$3,797,736</b>
Percentage of total	80%	19%	1%	100%

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**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2021**

	Program	General and Administrative	Fundraising	Total
Salaries and benefits	\$1,728,883	\$ 284,757	\$ 20,340	\$2,033,979
Foreign ministry	695,278	-	-	695,278
Convention	147,266	17,325	8,663	173,254
Professional fees	42,431	127,292	-	169,723
Mission ministries	154,538	-	-	154,544
Printing	78,337	9,792	9,792	97,921
Postage	59,947	21,410	4,282	85,639
Honorariums and benevolence	74,848	-	-	74,848
Outside labor	54,554	10,229	3,410	68,193
Depreciation and amortization	28,197	23,941	1,064	53,202
Board and district meetings	8,303	43,951	-	52,253
Travel	36,701	12,234	-	48,934
Equipment lease	18,550	18,550	-	37,099
Bank charges	18,012	18,012	-	36,023
Telephone	25,880	6,901	1,725	34,506
Utilities	-	29,226	-	29,226
Maintenance	-	26,675	-	26,675
Computer	9,679	14,519	-	24,198
Insurance	15,584	5,195	-	20,778
Promotions	15,783	-	3,946	19,729
Web development and branding	7,656	3,828	3,828	15,311
Merchandise and books	13,355	-	-	13,355
Office supplies	6,648	6,648	-	13,296
Issachar Forum	5,970	-	663	6,633
MTS School	5,091	-	-	5,091
Miscellaneous	2,336	2,336	-	4,671
Meals, lodging, and entertainment	3,398	1,133	-	4,530
Fees and licenses	-	2,285	-	2,285
Property and sales tax	-	1,621	-	1,621
Mail and internet	651	380	54	1,085
Bad debt	127	-	-	127
Program supplies	99	-	-	99
<b>Total</b>	<b><u>\$3,258,102</u></b>	<b><u>\$ 688,240</u></b>	<b><u>\$ 57,767</u></b>	<b><u>\$4,004,109</u></b>
Percentage of total	<u>82%</u>	<u>17%</u>	<u>1%</u>	<u>100%</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2023 AND 2021**

	<u>2023</u>	<u>2021</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 396,881	\$ (53,667)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	70,895	53,202
Loss on disposal of assets	-	3,652
Unrealized and realized (gains) losses, net	63,111	(105,562)
Decrease (increase) in operating assets:		
Accounts receivable	(22,555)	5,073
Other assets	5,639	63,801
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	2,820	7,394
Net cash flows from operating activities	<u>516,791</u>	<u>(26,107)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of investments	(181,363)	(858,273)
Proceeds from sales of investments	116,335	724,414
Purchases of property and equipment	(2,576)	(229,887)
Net cash flows from investing activities	<u>(67,604)</u>	<u>(363,746)</u>
Net change in cash and equivalents	449,187	(389,853)
Cash and equivalents, beginning of period	<u>509,207</u>	<u>899,060</u>
Cash and equivalents, end of period	<u>\$ 958,394</u>	<u>\$ 509,207</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2021**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The General Conference of the Church of God (Seventh Day) ("GCCG" or "Organization") was incorporated in 1899 in the state of Missouri. GCCG is a fellowship of believers in Jesus Christ. GCCG's mission is to proclaim the gospel, introducing others to the Lord, teaching them to obey His Word and nurturing spiritual growth in all its members. The majority of GCCG's support and revenue is from offerings collected by the local congregations and received from affiliated districts. Some of the ministries GCCG utilizes to accomplish its mission include funding missions abroad, training ministries and a publishing entity of GCCG known as the Bible Advocate Press.

These financial statements present financial information for GCCG and not the individual congregations related to GCCG, as GCCG does not exercise financial control over these congregations, as defined in the accounting standards.

Basis of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The accompanying statements of activities and of cash flows present the twenty-four month periods ended March 31, 2023 and 2021.

Accounting pronouncements adopted

In 2021, the Organization adopted ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASC Topic 606"), which replaces numerous requirements in US GAAP, including industry-specific requirements, and provides companies with a single revenue recognition model for recognizing revenues from contracts with customers. Upon implementation assessment of ASC Topic 606, management concluded that no adjustment was required to the opening balance of net assets at the date of initial application. The comparative information was not restated and continues to be reported under the accounting standards in effect for those periods. Additional disclosures required by ASC Topic 606 are presented within the revenue recognition policy disclosure above.

In 2021, the Organization adopted ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASC Topic 958"). This ASU clarifies how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution; helps an

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
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entity to evaluate whether contributions are considered conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation; and modifies the simultaneous release option currently in US GAAP, which allows a not-for-profit entity to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that revenue is recognized.

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and equivalents

For purposes of the statements of cash flows, GCCG considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

The Organization maintains its cash and equivalents in bank deposit accounts that, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At certain times during the twenty-four month periods ended March 31, 2023 and 2021, the Organization had deposits in excess of FDIC limits. The Organization does not anticipate nonperformance by these institutions.

Accounts receivable

Accounts receivable are stated at the amount that GCCG expects to collect. Accounts receivable represent amounts due to GCCG primarily from sales of resource materials to individuals and congregations and expense reimbursements from districts. Account balances are written off once management has determined the balance to be uncollectable. As of March 31, 2023 and 2021, management considers accounts receivable to be fully collectable; therefore, no allowance for doubtful accounts has been recorded.

Investments

Investments having a readily determinable fair value are carried at fair value. Interest and dividends are recorded on the accrual basis. Gains and losses are recognized when incurred and included in the statements of activities. Donated investments are recognized at the estimated fair value on the date of the donation.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
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Property and equipment

All acquisitions of property and equipment in excess of \$1,000 that materially prolong the useful lives of assets are capitalized and recorded at cost, or fair value, if donated. Depreciation expense is provided on a straight-line basis over estimated useful lives of five to 40 years.

Intangible assets

Intangible assets consist of software development costs and production costs. Amounts are recorded at cost and are amortized over the estimated life of the asset not to exceed 10 years. Amortization expense for the twenty-four month periods ending March 31, 2023 and 2021 totaled \$3,467 and \$3,471, respectively.

Net assets

The financial statements present information regarding the financial position and statements of activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions consist of resources available for use in operations and those resources invested in property and equipment. Net assets with donor restrictions consist of resources restricted by donors as to purpose or by the passage of time.

Support and revenue

In accordance with US GAAP, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions, if applicable. Contribution revenue is recognized when cash is received, when unconditional promises are made, or when ownership of contributed assets is transferred to the Organization. When a donor restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Sales, conference, and tuition revenues consist of revenue from sales of merchandise, participant registrations for events, and student enrollments, respectively. Revenue from these services is recorded when earned.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
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Functional allocation of expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities and functional expenses. These expenses require allocation on a reasonable basis that is consistently applied. Any costs that could be directly assigned to a specific function are allocated to that function. The expenses that are allocated include depreciation and amortization, which are allocated on a square footage basis, as well as salaries and benefits, professional fees, office supplies, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

Income taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("Code") and is not a private foundation under Section 509(a)(2) of the Code. The Organization evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC Topic 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organization.

Reclassification

Certain prior period amounts have been reclassified to conform with current period presentation. These reclassifications had no effect on the reported change in net assets.

Subsequent events

Management evaluated subsequent events through the date of the attached independent auditor's report, the date on which these financial statements were available to be issued.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
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**2. LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following on March 31,:

	<b>2023</b>	<b>2021</b>
Cash and equivalents	\$ 958,394	\$ 509,207
Accounts receivable	44,573	22,018
Investments	693,865	660,906
 Total financial assets	 1,696,832	 1,192,131
 Less amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(964,552)	(894,602)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 732,280	 \$ 297,529

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**3. INVESTMENTS AND FAIR VALUE MEASUREMENT**

US GAAP defines fair value and establishes a framework for measuring fair value and disclosure regarding 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. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume the liability. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value:

**Level 1** - Quoted prices in active markets for identical assets or liabilities

**Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities that are based on inputs not quoted in active markets that can be corroborated by observable market data

See independent auditor's report.

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**Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Fair value of assets measured on a recurring basis is as follows as of March 31,:

	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 478,544	\$ -	\$ -	\$ 478,544
Equity securities	281,911	-	-	281,911
Certificates of deposit	-	35,252	-	35,252
Exchange traded funds	94,050	-	-	94,050
Mutual funds	433,915	-	-	433,915
	<b>\$1,288,420</b>	<b>\$ 35,252</b>	<b>\$ -</b>	<b>\$1,323,672</b>
	<b>2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 159,719	\$ -	\$ -	\$ 159,719
Certificates of deposit	-	354,310	-	354,310
Mutual funds	807,726	-	-	807,726
	<b>\$ 967,445</b>	<b>\$ 354,310</b>	<b>\$ -</b>	<b>\$1,321,755</b>

Investment income consists of the following for the twenty-four month periods ended March 31,:

	<b>2023</b>	<b>2021</b>
Interest income	\$ 10,738	\$ 18,306
Dividend income	80,625	44,346
Unrealized and realized gains (losses), net	(63,111)	105,562
	<b>\$ 28,252</b>	<b>\$ 168,214</b>

See independent auditor's report.



**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2021**

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**4. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of March 31,:

	<b>2023</b>	<b>2021</b>
Land and improvements	\$ 299,348	\$ 299,348
Buildings and improvements	650,859	676,874
Furniture and equipment	326,381	340,609
 Total property and equipment	 1,276,588	 1,316,831
Accumulated depreciation	(834,585)	(809,976)
 Property and equipment, net	 \$ 442,003	 \$ 506,855

Depreciation expense for the twenty-four month periods ended March 31, 2023 and 2021 totaled \$67,429 and \$49,731, respectively.

**5. COMMITMENTS**

The Organization has entered into various contracts with hotels for future conventions to reserve blocks of rooms for attendees of the conventions. Although there is no liability to the Organization for the rooms (individual attendees are responsible for payment on the rooms), some of the contracts contain clauses requiring the Organization to pay a fee or penalty amount if the convention is canceled or if the number of rooms used is not reasonably close to the level reserved. In the opinion of management, no fees or penalties are expected to be paid under these contracts and, therefore, no liability has been recorded.

The Organization has entered into contracts for rental space at various convention centers for future conventions. The Organization is not able to make a meaningful estimate of the amounts or range of future minimum payments, if any, related to these commitments. Consequently, the Organization has not provided for any future commitments under these contracts.

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**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following as of March 31,:

	<b>2023</b>	<b>2021</b>
Scholarship funds	\$ 8,085	\$ 9,685
Relief projects	65,147	52,770
International ministry	-	6,104
Nicaragua	-	4,334
Missions	27,322	19,372
Nyanza orphans	-	23,302
Widows and orphans	128,363	-
Worship ministries	4,761	4,761
Medical mission	82,335	73,024
Other projects	13,456	68,667
Endowments	635,083	632,583
Total	<b>\$ 964,552</b>	<b>\$ 894,602</b>

**7. RELATED PARTIES**

The Organization receives support from and provides support to affiliated districts and churches. Contributions received from the districts and churches for the twenty-four month periods ending March 31, 2023 and 2021 totaled \$2,514,523 and \$2,108,440, respectively. The Organization also pays certain expenses on behalf of the districts for which the Organization receives reimbursement. Reimbursements from the districts are recorded as reimbursement income on the statements of activities and the related expenses are recorded based on natural classification on the statements of functional expenses.

**8. RETIREMENT PLAN**

GCCG maintains a Money Purchase Pension Plan ("Plan") for all employees who have worked at GCCG for at least one year and have completed 1,000 hours. Employees may elect to defer a portion of their salary to the Plan, up to the limits imposed by the Internal Revenue Code. GCCG contributes 5% of each eligible employee's salary to the Plan. Total employer contributions for the twenty-four month periods ended March 31, 2023 and 2021, were \$179,179 and \$66,021, respectively.

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**9. ENDOWMENTS**

The Organization's endowments consist of 46 endowment funds, 44 of which the total investment return may be used for the general purposes of GCCG. The endowment funds are an accumulation of gifts and bequests to GCCG and will be supplemented, principally from new gifts and bequests. The purpose of the endowment funds is to meet current operating expenses of GCCG and to be a source of funds to meet program specifications. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The state of Colorado has adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Organization has interpreted UPMIFA as requiring the preservation of the original fair value of the gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, and (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument. The undistributed portion of the donor-restricted endowment funds that have donor restrictions are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The undistributed portion of the donor-restricted endowment funds that do not have donor restrictions are classified as net assets without donor restrictions.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization.

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Changes in endowment net assets for the twenty-four month period ended March 31, 2023, consist of the following:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 28,266	\$ 632,583	\$ 660,849
Investment return:			
Net appreciation or depreciation (realized and unrealized)	(4,707)	-	(4,707)
Total investment return	(4,707)	-	(4,707)
Contributions	-	2,500	2,500
Amounts appropriated for expenditure	(28,835)	-	(28,835)
Endowment net assets, end of year	\$ (5,276)	\$ 635,083	\$ 629,807

Changes in endowment net assets for the twenty-four month period ended March 31, 2021, consist of the following:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ -	\$ 632,583	\$ 632,583
Investment return:			
Net appreciation (realized and unrealized)	47,752	-	47,752
Total investment return	47,752	-	47,752
Contributions	-	-	-
Amounts appropriated for expenditure	(19,486)	-	(19,486)
Endowment net assets, end of year	\$ 28,266	\$ 632,583	\$ 660,849

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From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with US GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of March 31, 2023 and 2021.

GCCG has investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowments. GCCG's endowment assets are invested in a manner that is intended to produce the highest possible rate of return consistent with the Organization's risk tolerances.

**10. PAYCHECK PROTECTION PROGRAM**

GCCG applied for and received a \$200,436 forgivable loan from the Small Business Administration as part of the Paycheck Protection Program, which is part of the federal government's Coronavirus Aid, Relief, and Economic Security ("CARES") Act. Management has determined that all conditions have been met and forgiveness of the loan is probable as of March 31, 2021 and, accordingly, has recognized the full amount as grant income in the accompanying financial statements in accordance with ASC Topic 958.

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