



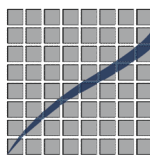
CHURCH OF GOD™
(SEVENTH DAY) UNITED STATES & CANADA

FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2023

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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, 2025 and 2023, and the related statements of activities, functional expenses, and cash flows for the two twenty-four month periods 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, 2025 and 2023, and the changes in its net assets and its cash flows for the two twenty-four month periods 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 23, 2025

THE GENERAL CONFERENCE OF THE CHURCH OF GOD

(SEVENTH DAY)

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2025 AND 2023

	<u>2025</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and equivalents	\$ 1,104,744	\$ 958,394
Accounts receivable	29,738	44,573
Investments	2,865,555	693,865
Property and equipment, net	431,929	442,003
Intangible assets, net	12,214	15,685
Other assets	5,475	11,463
Endowment assets	707,940	629,807
Total assets	<u>\$ 5,157,595</u>	<u>\$ 2,795,790</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 169,352	\$ 146,043
Total liabilities	<u>169,352</u>	<u>146,043</u>
Net assets:		
Without donor restrictions:		
Operating	312,052	150,547
Equity in property, equipment, and intangible assets	444,143	457,688
Board-designated	3,359,288	1,076,960
Total net assets without donor restrictions	4,115,483	1,685,195
With donor restrictions	872,760	964,552
Total net assets	<u>4,988,243</u>	<u>2,649,747</u>
Total liabilities and net assets	<u>\$ 5,157,595</u>	<u>\$ 2,795,790</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 ACTIVITIES

FOR THE TWENTY-FOUR MONTH PERIODS ENDED MARCH 31, 2025 AND 2023

	2025			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUE</u>						
Contributions	\$ 5,056,551	\$ 684,792	\$ 5,741,343	\$ 2,687,479	\$ 810,147	\$ 3,497,626
Sales	508,577	-	508,577	434,955	-	434,955
Tuition and fees	247,118	-	247,118	125,959	-	125,959
Investment income	272,978	-	272,978	28,252	-	28,252
Convention income	291,603	-	291,603	56,228	-	56,228
Other income	54,955	-	54,955	51,597	-	51,597
Total support and revenue	6,431,782	684,792	7,116,574	3,384,470	810,147	4,194,617
Net assets released from restrictions	776,584	(776,584)	-	740,197	(740,197)	-
<u>EXPENSES</u>						
Program services	3,795,693	-	3,795,693	3,020,180	-	3,020,180
Supporting activities:						
General and administrative	879,100	-	879,100	722,763	-	722,763
Fundraising	103,285	-	103,285	54,793	-	54,793
Total expenses	4,778,078	-	4,778,078	3,797,736	-	3,797,736
Change in net assets	2,430,288	(91,792)	2,338,496	326,931	69,950	396,881
Net assets, beginning of period	1,685,195	964,552	2,649,747	1,358,264	894,602	2,252,866
Net assets, end of period	<u>\$ 4,115,483</u>	<u>\$ 872,760</u>	<u>\$ 4,988,243</u>	<u>\$ 1,685,195</u>	<u>\$ 964,552</u>	<u>\$ 2,649,747</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)

STATEMENT OF FUNCTIONAL EXPENSES FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2025

	Program Services	General and Administrative	Fundraising	Total
Bad debt	\$ 543	\$ -	\$ -	\$ 543
Bank charges	24,461	24,461	-	48,922
Board and district meetings	34,678	104,033	-	138,711
Computer	39,022	58,534	-	97,556
Convention	325,182	38,257	19,128	382,567
Depreciation and amortization	40,374	34,280	1,524	76,178
Equipment lease	30,203	30,203	-	60,406
Fees and licenses	-	11,676	-	11,676
Foreign ministry	785,076	-	-	785,076
Honorariums and benevolence	131,729	-	-	131,729
Insurance	44,237	14,746	-	58,983
Issachar Forum	28,598	-	3,178	31,776
Mail and internet	1,060	618	88	1,766
Maintenance	-	24,495	-	24,495
Meals, lodging, and entertainment	3,267	1,089	-	4,356
Merchandise and books	23,074	-	-	23,074
Miscellaneous	19,028	19,019	-	38,047
Mission ministries	81,900	-	-	81,900
MTS School	5,154	-	-	5,154
Office supplies	10,184	10,184	-	20,368
Outside labor	84,070	15,763	5,254	105,087
Postage	74,689	26,675	5,335	106,699
Printing	117,842	14,730	14,730	147,302
Professional fees	38,556	115,669	-	154,225
Promotions	132,554	-	33,139	165,693
Property and sales tax	-	916	-	916
Salaries and benefits	1,621,732	267,109	19,079	1,907,920
Telephone	27,457	7,322	1,830	36,609
Travel	71,023	23,674	-	94,697
Utilities	-	35,647	-	35,647
Total expenses	<u>\$ 3,795,693</u>	<u>\$ 879,100</u>	<u>\$ 103,285</u>	<u>\$ 4,778,078</u>
Percentage of total expenses	<u>80%</u>	<u>18%</u>	<u>2%</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)

STATEMENT OF FUNCTIONAL EXPENSES FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2023

	Program Services	General and Administrative	Fundraising	Total
Bad debt	\$ 464	\$ -	\$ -	\$ 464
Bank charges	18,351	18,351	-	36,702
Board and district meetings	6,823	35,819	-	42,642
Computer	40,658	60,986	-	101,644
Convention	73,431	8,639	4,320	86,390
Depreciation and amortization	37,575	31,903	1,418	70,896
Equipment lease	22,236	22,236	-	44,472
Fees and licenses	-	1,859	-	1,859
Foreign ministry	740,197	-	-	740,197
Honorariums and benevolence	57,105	-	-	57,105
Insurance	27,883	9,294	-	37,177
Issachar Forum	8,891	-	988	9,879
Mail and internet	1,774	1,035	148	2,957
Maintenance	-	28,188	-	28,188
Meals, lodging, and entertainment	2,892	964	-	3,856
Merchandise and books	5,895	-	-	5,895
Miscellaneous	14,315	14,316	-	28,631
Mission ministries	112,476	-	-	112,476
MTS School	5,620	-	-	5,620
Office supplies	5,665	5,665	-	11,330
Outside labor	74,438	13,957	4,652	93,047
Postage	75,210	26,861	5,372	107,443
Printing	75,543	9,443	9,443	94,429
Professional fees	43,920	131,759	-	175,679
Promotions	23,612	-	5,903	29,515
Property and sales tax	-	1,377	-	1,377
Salaries and benefits	1,481,666	244,039	17,431	1,743,136
Telephone	29,517	7,871	1,968	39,356
Travel	27,723	9,241	-	36,964
Utilities	-	35,810	-	35,810
Web development and branding	6,300	3,150	3,150	12,600
Total expenses	<u>\$ 3,020,180</u>	<u>\$ 722,763</u>	<u>\$ 54,793</u>	<u>\$ 3,797,736</u>
Percentage of total expenses	<u>80%</u>	<u>19%</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 PERIODS ENDED MARCH 31, 2025 AND 2023

	<u>2025</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 2,338,496	\$ 396,881
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	76,178	70,896
Loss on disposal of property and equipment	1,330	-
Realized and unrealized (gains) and losses	(97,043)	63,111
(Increase) decrease in operating assets:		
Accounts receivable	14,835	(22,555)
Other assets	5,988	5,639
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	23,309	2,820
Net cash flows from operating activities	<u>2,363,093</u>	<u>516,792</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(63,963)	(2,576)
Proceeds from sales of investments	812,602	116,335
Purchases of investments	(2,965,382)	(181,364)
Net cash flows from investing activities	<u>(2,216,743)</u>	<u>(67,605)</u>
Net change in cash and equivalents	146,350	449,187
Cash and equivalents, beginning of period	<u>958,394</u>	<u>509,207</u>
Cash and equivalents, end of period	<u><u>\$ 1,104,744</u></u>	<u><u>\$ 958,394</u></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, 2025 AND 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The General Conference of the Church of God (Seventh Day) ("GCCG") 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 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 cash flows present the twenty-four month periods ended March 31, 2025 and 2023.

Use of estimates

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

Newly adopted accounting policies

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* ("ASC Topic 326"). This ASU revises how organizations account for credit losses for most financial assets. On April 1, 2023, GCCG adopted the requirements of ASC Topic 326. The adoption of ASC Topic 326 did not have a material impact on GCCG's financial statements.

Cash and equivalents

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

See independent auditor's report.

THE GENERAL CONFERENCE OF THE CHURCH OF GOD

(SEVENTH DAY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2023

Accounts receivable and allowance for credit losses

Accounts receivable are unsecured and reported at the amount management expects to collect. GCCG maintains an allowance for credit losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial conditions of GCCG's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

Management considers accounts receivable to be fully collectable as of March 31, 2025 and 2023. Accordingly, no allowance for credit losses 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.

Property and equipment

Acquisitions of property and equipment with an original cost of \$1,000 or greater and useful lives exceeding one year are capitalized and recorded at cost, or fair value, if donated. Property and equipment are depreciated using the straight-line method over estimated useful lives, ranging from 5 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. Amortization expense for the twenty-four month periods ending March 31, 2025 and 2023 totaled \$3,471 and \$3,467, respectively.

Leases

GCCG elected to account for all leases with original terms of 12 months or fewer as short-term leases, which are expensed over the term of the lease and do not require recognition of right-of-use assets or lease liabilities.

See independent auditor's report.

THE GENERAL CONFERENCE OF THE CHURCH OF GOD

(SEVENTH DAY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2023

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, those resources invested in property, equipment, and intangible assets, and resources restricted by the board of directors as to future use. Net assets with donor restrictions consist of resources restricted by donors as to purpose or by the passage of time.

Contributions and grants

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 GCCG. GCCG reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Revenue recognition

Sales, tuition and fees, and convention income

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

Contract assets and liabilities

The timing of revenue recognition, billings, and cash collections results in accounts receivable (contract assets). Accounts receivable are recorded when the right to consideration becomes unconditional. Changes in the contract asset balances during the years ended March 31, 2025 and 2023 were not materially impacted by other factors.

See independent auditor's report.

THE GENERAL CONFERENCE OF THE CHURCH OF GOD

(SEVENTH DAY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2023

Contract balances consist of the following for the years ended March 31,:

	<u>2025</u>	<u>2023</u>	<u>2021</u>
Accounts receivable	\$ 29,738	\$ 44,573	\$ 22,018

Functional 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 salaries and benefits, professional fees, office supplies, insurance, and other expenses, which are allocated based on an estimate of time and effort spent, and depreciation and amortization, which are allocated based on an estimate of square footage.

Income taxes

GCCG 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. GCCG 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 GCCG.

Reclassifications

Certain prior year balances and amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net assets or change in net assets.

Subsequent events

Management has evaluated subsequent events through the date of the independent auditor's report, the date on which the 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 MARCH 31, 2025 AND 2023

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available to meet cash needs 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 as of March 31,:

	<u>2025</u>	<u>2023</u>
Financial assets at year end:		
Cash and equivalents	\$ 1,104,744	\$ 958,394
Accounts receivable	29,738	44,573
Investments	2,865,555	693,865
Endowment assets	<u>707,940</u>	<u>629,807</u>
Total financial assets at year end	4,707,977	2,326,639
Less amounts unavailable for general expenditures within one year due to:		
Net assets with donor restrictions	<u>(872,760)</u>	<u>(964,552)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,835,217</u>	<u>\$ 1,362,087</u>

As part of GCCG'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.

See independent auditor's report.

THE GENERAL CONFERENCE OF THE CHURCH OF GOD

(SEVENTH DAY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2023

US GAAP describes three levels of inputs that may be used to measure 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

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

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy:

The fair value of equities, exchange traded funds, and mutual funds is based on quoted market prices and other relevant information generated by market transactions.

The fair value of fixed income securities is based on their face value, time to maturity, and the current interest rate environment.

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

	2025		
<i>Investments:</i>	Level 1	Level 2	Total
Certificates of deposit	\$ -	\$ 35,287	\$ 35,287
Exchange traded funds	117,454	-	117,454
Fixed income securities	1,843,483	-	1,843,483
Mutual funds	476,678	-	476,678
Total investments, at fair value	<u>\$ 2,437,615</u>	<u>\$ 35,287</u>	2,472,902
Cash and money market funds, at cost			<u>392,653</u>
Total investments			<u>\$ 2,865,555</u>

See independent auditor's report.

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

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2025 AND 2023

	2025		
	Level 1	Level 2	Total
<i>Endowment assets:</i>			
Equities	\$ 203,565	\$ -	\$ 203,565
Exchange traded funds	158,930	-	158,930
Fixed income securities	205,929	-	205,929
Other assets	8,194	-	8,194
Total endowment assets, at fair value	<u>\$ 576,618</u>	<u>\$ -</u>	576,618
Cash and money market funds, at cost			<u>131,322</u>
Total endowment assets			<u>\$ 707,940</u>

	2023		
	Level 1	Level 2	Total
<i>Investments:</i>			
Certificates of deposit	\$ -	\$ 35,252	\$ 35,252
Equities	99,195	-	99,195
Mutual funds	433,915	-	433,915
Total investments, at fair value	<u>\$ 533,110</u>	<u>\$ 35,252</u>	568,362
Cash and money market funds, at cost			<u>125,503</u>
Total investments			<u>\$ 693,865</u>

	2023		
	Level 1	Level 2	Total
<i>Endowment assets:</i>			
Equities	\$ 182,716	\$ -	\$ 182,716
Exchange traded funds	94,050	-	94,050
Total endowment assets, at fair value	<u>\$ 276,766</u>	<u>\$ -</u>	276,766
Cash and money market funds, at cost			<u>353,041</u>
Total endowment assets			<u>\$ 629,807</u>

See independent auditor's report.

THE GENERAL CONFERENCE OF THE CHURCH OF GOD

(SEVENTH DAY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2023

Total investment income consists of the following for the periods ended March 31,:

	<u>2025</u>	<u>2023</u>
Interest and dividends	\$ 175,935	\$ 91,363
Net realized and unrealized gains (losses)	<u>97,043</u>	<u>(63,111)</u>
Investment income	<u><u>\$ 272,978</u></u>	<u><u>\$ 28,252</u></u>

4. PROPERTY AND EQUIPMENT

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

	<u>2025</u>	<u>2023</u>
Land improvements	\$ 49,309	\$ 49,309
Buildings and improvements	664,785	650,859
Furniture and equipment	<u>331,107</u>	<u>326,381</u>
Total depreciable property and equipment	1,045,201	1,026,549
Less: accumulated depreciation	<u>(863,311)</u>	<u>(834,585)</u>
	181,890	191,964
Land	<u>250,039</u>	<u>250,039</u>
Property and equipment, net	<u><u>\$ 431,929</u></u>	<u><u>\$ 442,003</u></u>

Depreciation expense for the twenty-four month periods ended March 31, 2025 and 2023 totaled \$72,706 and \$67,429, respectively.

See independent auditor's report.

THE GENERAL CONFERENCE OF THE CHURCH OF GOD

(SEVENTH DAY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2023

5. NET ASSETS

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

	<u>2025</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Missions	\$ 28,372	\$ 27,322
Medical missions	41,537	82,335
Other projects	21,866	13,456
Relief projects	32,632	65,147
Scholarship funds	16,110	8,085
Widows and orphans	92,399	128,363
Worship ministries	<u>4,761</u>	<u>4,761</u>
	237,677	329,469
Endowments:		
Corpus	<u>635,083</u>	<u>635,083</u>
Total net assets with donor restrictions	<u>\$ 872,760</u>	<u>\$ 964,552</u>

Board-designated net assets consist of investments set aside by the board to be a reserve and to fund general operations as necessary.

6. ENDOWMENTS

GCCG's endowment assets 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.

GCCG has interpreted the state Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of March 31, 2025 and 2023, there were no such donor stipulations. As a result of this interpretation, GCCG retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by GCCG in a manner consistent with the standard of prudence prescribed by UPMIFA.

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THE GENERAL CONFERENCE OF THE CHURCH OF GOD

(SEVENTH DAY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2023

In accordance with UPMIFA, GCCG 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 purpose of GCCG 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 GCCG
- 7) The investment policies of GCCG

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). GCCG has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of March 31, 2025 and 2023, there were no funds with deficiencies.

GCCG has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. The target minimum rate of return is the Consumer Price Index plus 5 percent on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

GCCG uses an endowment spending-rate formula to determine the maximum amount to spend from the endowment each year as determined by the board of directors. In establishing this policy, GCCG considers the long-term expected return on the endowment and sets the rate with the objective of maintaining the purchasing power of the endowment over time.

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

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2025 AND 2023

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. Changes in endowment assets are as follows for the years ended March 31,:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment assets,			
April 1, 2021	\$ 28,266	\$ 632,583	\$ 660,849
Contributions	-	2,500	2,500
Investment return, net	8,222	-	8,222
Appropriated for expenditure	<u>(41,764)</u>	<u>-</u>	<u>(41,764)</u>
Endowment assets,			
March 31, 2023	(5,276)	635,083	629,807
Contributions	-	-	-
Investment return, net	78,133	-	78,133
Appropriated for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Endowment assets,			
March 31, 2025	<u>\$ 72,857</u>	<u>\$ 635,083</u>	<u>\$ 707,940</u>

7. CONCENTRATIONS

Cash and equivalents

GCCG maintains its cash and equivalents in bank deposit accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At certain times during the year GCCG had deposits in excess of FDIC limits. This risk is managed by maintaining deposits with high-quality financial institutions. GCCG does not anticipate nonperformance by these institutions.

Contributions

One donor accounted for 43% of contributions for the twenty-four month period ended March 31, 2025.

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THE GENERAL CONFERENCE OF THE CHURCH OF GOD

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2023

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, 2025 and 2023, were \$167,205 and \$179,179, respectively.

9. RELATED PARTIES

GCCG 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, 2025 and 2023 totaled \$2,657,329 and \$2,514,523, respectively. GCCG also pays certain expenses on behalf of the districts for which GCCG 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.

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