

**THE COLONIAL  
PRESBYTERIAN  
CHURCH**

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**FINANCIAL STATEMENTS**

---

**June 30, 2025 and 2024**

**IFFT & CO. PA**  
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Corporate Trustees and the Session  
The Colonial Presbyterian Church  
Kansas City, Missouri

We have reviewed the accompanying financial statements of The Colonial Presbyterian Church (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Accountants' Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Colonial Presbyterian Church and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

## **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Ifft & Co. PA

January 20, 2026

**THE COLONIAL PRESBYTERIAN CHURCH**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 4,317,859	4,019,217
Prepaid expenses	<u>98,478</u>	<u>148,667</u>
TOTAL CURRENT ASSETS	4,416,337	4,167,884
LAND, BUILDINGS, AND EQUIPMENT, net	14,843,679	14,559,846
OPERATING LEASE RIGHT OF USE ASSETS	<u>38,286</u>	<u>8,648</u>
TOTAL ASSETS	<u>\$ 19,298,302</u>	<u>18,736,378</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 52,344	58,488
Accrued expenses	212,664	205,248
Deferred revenues	43,910	40,230
Current portion of operating lease liabilities	<u>8,950</u>	<u>8,648</u>
TOTAL CURRENT LIABILITIES	317,868	312,614
OPERATING LEASE LIABILITIES, less current portion	<u>29,336</u>	<u>-</u>
TOTAL LIABILITIES	347,204	312,614
<b>NET ASSETS</b>		
Without donor restrictions		
Net investment in land, buildings, and equipment	14,843,679	14,559,846
Designated	808,231	790,956
Undesignated	<u>738,955</u>	<u>896,582</u>
Total without donor restrictions	16,390,865	16,247,384
With donor restrictions	<u>2,560,233</u>	<u>2,176,380</u>
TOTAL NET ASSETS	<u>18,951,098</u>	<u>18,423,764</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,298,302</u>	<u>18,736,378</u>

The accompanying notes are an integral part of these financial statements.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**  
**(See Independent Accountants' Review Report)**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Contributions			
Tithes and offerings	\$ 5,208,694	241,057	5,449,751
Building campaign	-	1,195,172	1,195,172
Missions	-	1,156,133	1,156,133
Preschool	-	24,855	24,855
Revenues			
Preschool and daycare tuition and fees	1,061,202	-	1,061,202
Interest income	87,329	-	87,329
Miscellaneous income	18,396	-	18,396
Net assets released from restrictions	<u>2,233,364</u>	<u>(2,233,364)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUES</b>	<b>8,608,985</b>	<b>383,853</b>	<b>8,992,838</b>
<b>EXPENSES</b>			
Program services			
Ministry	4,481,871	-	4,481,871
Missions	1,902,912	-	1,902,912
Preschool	<u>1,135,839</u>	<u>-</u>	<u>1,135,839</u>
<b>TOTAL PROGRAM SERVICES</b>	<b>7,520,622</b>	<b>-</b>	<b>7,520,622</b>
Fundraising	2,311	-	2,311
General and administrative	<u>942,571</u>	<u>-</u>	<u>942,571</u>
<b>TOTAL EXPENSES</b>	<b>8,465,504</b>	<b>-</b>	<b>8,465,504</b>
CHANGE IN NET ASSETS	143,481	383,853	527,334
NET ASSETS, BEGINNING OF YEAR	<u>16,247,384</u>	<u>2,176,380</u>	<u>18,423,764</u>
NET ASSETS, END OF YEAR	<u><u>\$ 16,390,865</u></u>	<u><u>2,560,233</u></u>	<u><u>18,951,098</u></u>

The accompanying notes are an integral part of these financial statements.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2024**  
**(See Independent Accountants' Review Report)**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Contributions			
Tithes and offerings	\$ 5,275,463	280,982	5,556,445
Building campaign	-	382,077	382,077
Missions	-	1,609,797	1,609,797
Preschool	-	16,185	16,185
Revenues			
Preschool and daycare tuition and fees	981,693	-	981,693
Interest income	110,685	-	110,685
Miscellaneous income	30,302	-	30,302
Net assets released from restrictions	<u>1,683,353</u>	<u>(1,683,353)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUES</b>	<b>8,081,496</b>	<b>605,688</b>	<b>8,687,184</b>
<b>EXPENSES</b>			
Program services			
Ministry	4,240,152	-	4,240,152
Missions	1,901,859	-	1,901,859
Preschool	<u>1,052,202</u>	<u>-</u>	<u>1,052,202</u>
<b>TOTAL PROGRAM SERVICES</b>	<b>7,194,213</b>	<b>-</b>	<b>7,194,213</b>
Fundraising	2,776	-	2,776
General and administrative	<u>913,221</u>	<u>-</u>	<u>913,221</u>
<b>TOTAL EXPENSES</b>	<b>8,110,210</b>	<b>-</b>	<b>8,110,210</b>
<b>CHANGE IN NET ASSETS</b>	<b>(28,714)</b>	<b>605,688</b>	<b>576,974</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>16,276,098</u></b>	<b><u>1,570,692</u></b>	<b><u>17,846,790</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 16,247,384</u></b>	<b><u>2,176,380</u></b>	<b><u>18,423,764</u></b>

The accompanying notes are an integral part of these financial statements.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2025**  
**(See Independent Accountants' Review Report)**

	<u>Ministry</u>	<u>Missions</u>	<u>Preschool</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Facilities/IT Maintenance and Support</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 1,829,280	169,874	793,597	2,792,751	-	135,212	569,630	3,497,593
Employee benefits and expenses	524,127	34,511	119,987	678,625	-	39,401	124,589	842,615
Conferences and events	110,303	4,502	12,008	126,813	-	-	-	126,813
Missions support	-	1,391,574	-	1,391,574	-	-	-	1,391,574
Mission trips and events	26,017	137,133	-	163,150	-	-	-	163,150
Printing, promotion, website, and mobile app	33,108	14,980	-	48,088	-	-	1,870	49,958
Telephone and IT services	77,544	7,350	-	84,894	-	6,475	24,770	116,139
Technical production and contract musicians	67,563	3,814	-	71,377	-	-	-	71,377
Facility maintenance and utilities	-	-	16,065	16,065	-	662,858	-	678,923
EPC membership	61,433	-	-	61,433	-	-	-	61,433
Community and member care	268,306	85,198	20,974	374,478	-	-	-	374,478
Insurance	18,292	1,734	1,984	22,010	-	65,642	43,476	131,128
Depreciation	-	-	-	-	-	657,208	-	657,208
Materials, supplies, office equipment, and other	100,375	3,366	45,921	149,662	2,311	186	6,843	159,002
Payroll and professional expenses	24,866	-	-	24,866	-	-	77,509	102,375
Bank fees	-	-	-	-	-	-	41,738	41,738
Subtotal	<u>3,141,214</u>	<u>1,854,036</u>	<u>1,010,536</u>	<u>6,005,786</u>	<u>2,311</u>	<u>1,566,982</u>	<u>890,425</u>	<u>8,465,504</u>
Facilities/IT maintenance and support	<u>1,340,657</u>	<u>48,876</u>	<u>125,303</u>	<u>1,514,836</u>	<u>-</u>	<u>(1,566,982)</u>	<u>52,146</u>	<u>-</u>
TOTAL EXPENSES	<u>\$ 4,481,871</u>	<u>1,902,912</u>	<u>1,135,839</u>	<u>7,520,622</u>	<u>2,311</u>	<u>-</u>	<u>942,571</u>	<u>8,465,504</u>

The accompanying notes are an integral part of these financial statements.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2024**  
**(See Independent Accountants' Review Report)**

	<u>Ministry</u>	<u>Missions</u>	<u>Preschool</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Facilities/IT Maintenance and Support</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 1,765,771	170,404	738,808	2,674,983	-	121,662	538,663	3,335,308
Employee benefits and expenses	480,685	32,027	107,103	619,815	-	35,776	118,851	774,442
Conferences and events	133,619	4,323	10,824	148,766	-	-	-	148,766
Missions support	-	1,390,552	-	1,390,552	-	-	-	1,390,552
Mission trips and events	1,341	132,935	-	134,276	-	-	-	134,276
Printing, promotion, website, and mobile app	30,089	12,912	-	43,001	-	-	2,863	45,864
Telephone and IT services	81,959	7,931	-	89,890	-	6,491	26,228	122,609
Technical production and contract musicians	47,175	2,391	-	49,566	-	-	-	49,566
Facility maintenance and utilities	-	-	12,088	12,088	-	603,688	-	615,776
EPC membership	66,920	-	-	66,920	-	-	-	66,920
Community and member care	212,820	124,641	18,991	356,452	-	-	-	356,452
Insurance	10,229	990	2,963	14,182	-	35,256	70,261	119,699
Depreciation	-	-	-	-	-	635,019	-	635,019
Materials, supplies, office equipment, and other	96,652	7,255	45,006	148,913	2,776	275	9,105	161,069
Payroll and professional expenses	55,091	-	-	55,091	-	-	63,377	118,468
Bank fees	-	-	-	-	-	-	35,424	35,424
Subtotal	<u>2,982,351</u>	<u>1,886,361</u>	<u>935,783</u>	<u>5,804,495</u>	<u>2,776</u>	<u>1,438,167</u>	<u>864,772</u>	<u>8,110,210</u>
Facilities/IT maintenance and support	<u>1,257,801</u>	<u>15,498</u>	<u>116,419</u>	<u>1,389,718</u>	<u>-</u>	<u>(1,438,167)</u>	<u>48,449</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u>\$ 4,240,152</u>	<u>1,901,859</u>	<u>1,052,202</u>	<u>7,194,213</u>	<u>2,776</u>	<u>-</u>	<u>913,221</u>	<u>8,110,210</u>

The accompanying notes are an integral part of these financial statements.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 527,334	576,974
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted for building projects	(1,195,172)	(382,077)
Depreciation	657,208	635,019
Changes in operating assets and liabilities		
Prepaid expenses	50,189	(33,789)
Accounts payable	(6,144)	14,509
Accrued expenses	7,416	23,418
Deferred revenues	3,680	(392)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>44,511</b>	<b>833,662</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of buildings and equipment	(941,041)	(401,325)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for building projects	1,195,172	382,077
<b>NET CHANGE IN CASH</b>	298,642	814,414
<b>CASH, BEGINNING OF YEAR</b>	<b>4,019,217</b>	<b>3,204,803</b>
<b>CASH, END OF YEAR</b>	<b>\$ 4,317,859</b>	<b>4,019,217</b>

The accompanying notes are an integral part of these financial statements.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Colonial Presbyterian Church (the Church) was founded in the 1950s and incorporated as a Missouri non-profit corporation on February 28, 1959. The Church is voluntarily affiliated with the Evangelical Presbyterian Church (EPC).

The Church's donors and preschool/daycare patrons are located throughout the greater Kansas City, Missouri area.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions. The Session has designated, from net assets without donor restrictions, funds for ministry, capital projects, and missions.
- Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When donor-imposed restrictions are released, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense totaled \$21,155 and \$15,891 for the years ended June 30, 2025 and 2024, respectively, and is included in printing, promotion, website, and mobile app expense on the accompanying statements of functional expenses.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Land, Buildings, and Equipment

Expenditures for buildings and equipment over a nominal amount are recorded at cost and depreciated over their estimated useful lives using the straight-line method. The estimated useful lives of the assets are as follows:

Buildings and improvements	25-50 years
Equipment and furnishings	3-10 years

Revenue Recognition

Enrollment fees received in advance for the following period's preschool year are deferred until the start of the preschool year. Monthly preschool tuition is recognized as income each month as services are provided. Contributions are recognized as revenue when cash, securities, other assets, or unconditional promises to give are received.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the accompanying statements of activities. The accompanying statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Tax Status

The Church is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and state law through the exemption of the national denomination. Contributions to the Church are tax deductible within the limitations prescribed by the Code. The Church has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code.

The Church recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Church is subject to income tax regulations in the U.S. federal jurisdiction and certain state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Church is no longer subject to income tax examinations by the applicable tax authorities for the years before 2022. If any were to be incurred, the Church's policy is to record penalties and interest assessed by income tax authorities as operating expenses.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Leases

At inception, the Church determines whether an arrangement is a lease and the appropriate lease classification under accounting principles generally accepted in the United States of America. Right of use (ROU) assets represent the Church's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of minimum lease payments over the lease term using the rate implicit in the lease, if available. As the Church's leases do not generally provide a rate implicit in the lease, the Church uses the risk-free rate with a maturity similar to the lease term.

Subsequent Events

Subsequent events have been evaluated through January 20, 2026, which is the date the financial statements were available to be issued.

NOTE 2 - BANK LINE OF CREDIT

The Church has a \$500,000 line of credit with a bank. The line is collateralized by the assets of the Church, bears interest at a variable rate based on the Wall Street Journal Prime Rate (7.50% at June 30, 2025), and expires in December 2025. There were no borrowings on the line of credit during either year ended June 30, 2025 or 2024.

NOTE 3 - RELATED PARTY TRANSACTION

The Church paid a voluntary per capita fee to the EPC based on its voluntary affiliation with this organization. The Church paid \$61,433 and \$66,920 in fees related to this affiliation for the years ended June 30, 2025 and 2024, respectively.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

NOTE 4 - LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment included the following at June 30:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 24,781,173	23,938,836
Equipment and furnishings	<u>1,534,232</u>	<u>1,435,527</u>
	26,315,405	25,374,363
Less accumulated depreciation	<u>12,540,182</u>	<u>11,882,973</u>
	13,775,223	13,491,390
Land	<u>1,068,456</u>	<u>1,068,456</u>
Land, buildings, and equipment, net	<u>\$ 14,843,679</u>	<u>14,559,846</u>

NOTE 5 - OPERATING LEASES

The Church leases equipment under operating lease agreements that expire at various dates through September 2030. Only lease options that the Church believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities. The lease agreements do not include any restrictive covenants.

The following summarizes the line items in the statements of financial position that include amounts for operating leases as of June 30:

	<u>2025</u>	<u>2024</u>
Noncurrent operating ROU assets	<u>\$ 38,286</u>	<u>8,648</u>
Current operating lease liabilities	\$ 8,950	8,648
Noncurrent operating lease liabilities	<u>29,336</u>	-
	<u>\$ 38,286</u>	<u>8,648</u>

Operating lease expense was \$15,324 and \$25,656 for the years ended June 30, 2025 and 2024, respectively, and is included in materials, supplies, office equipment, and other expense on the accompanying statements of functional expenses.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

NOTE 5 - OPERATING LEASES - Continued

The maturities of the operating lease liabilities as of June 30, 2025 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ 10,143
2027	9,564
2028	9,564
2029	9,564
2030	<u>2,391</u>
Total lease payments	41,226
Less interest	<u>2,940</u>
Present value of leases	<u>\$ 38,286</u>

The weighted average lease term and discount rate were as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term	4.19 years	0.58 years
Weighted average discount rate	3.50%	2.84%

The following summarizes the cash flow information related to the operating leases for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Operating cash flows for operating leases	<u>\$ 15,324</u>	<u>25,656</u>
Lease assets obtained in exchange for for lease liabilities	<u>\$ 43,800</u>	<u>-</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets restricted by donor stipulations for the following purposes were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Building projects	\$ 1,494,163	684,771
Ministry	204,587	204,605
Missions	722,220	1,132,875
Preschool	<u>139,263</u>	<u>154,129</u>
Total net assets with donor restrictions	<u>\$ 2,560,233</u>	<u>2,176,380</u>

**THE COLONIAL PRESBYTERIAN CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net assets released from restrictions due to satisfaction of donor requirements were as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Building projects	\$ 385,779	59,392
Ministry	241,075	279,998
Missions	1,566,789	1,003,980
Preschool	<u>39,721</u>	<u>339,983</u>
 Total net assets released from restrictions	 <u>\$ 2,233,364</u>	 <u>1,683,353</u>

NOTE 7 - DESIGNATED NET ASSETS

Net assets without restrictions were designated for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Capital projects	\$ 493,174	520,264
Ministry	188,564	215,245
Missions	<u>126,493</u>	<u>55,447</u>
 Total designated net assets	 <u>\$ 808,231</u>	 <u>790,956</u>

NOTE 8 - EMPLOYEE BENEFIT PLANS

The Church contributed to a 403(b) plan covering all clergy and all covered employees. This plan, which is administered by the EPC, allows for voluntary salary deferrals. The Church contributes an amount equal to 10% of base salary and housing allowance for clergy, and the Church matches 50% of the first 6% of employee contributions for non-clergy staff. Pension expenses under this plan were \$132,837 and \$116,354 for the years ended June 30, 2025 and 2024, respectively, and are included in employee benefits and expenses on the accompanying statements of functional expenses.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

NOTE 9 - CONCENTRATION OF RISK

The Church maintains accounts in two commercial banks. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each bank. The Church has an insured cash sweep deposit placement agreement with one of the banks that results in funds over \$250,000 being placed at destination institutions. The amount placed at each destination institution will not exceed \$250,000. At June 30, 2025 and 2024, the balance of this insured cash sweep account was \$4,304,215 and \$3,798,228, respectively. In addition, \$11,859 of the remaining balances with the banks were in excess of FDIC coverage at June 30, 2024. None of the remaining balances with the banks were in excess of FDIC coverage at June 30, 2025.

NOTE 10 - LIQUIDITY AND AVAILABILITY

The Church receives contributions that are restricted by donors for particular purposes, such as capital projects, missions, crisis and disaster relief, and others. The Church seeks to honor the donor restrictions for all of these funds. Additionally, the Church receives significant contributions that are not restricted by donors. These contributions are available to meet the majority of current cash operating needs. The Session also has designated contributions without donor restrictions to be used for specific purposes as they see fit. These funds function as a board-designated reserve as the Session has the ability to draw upon them for any operational need. These policies serve to provide sufficient resources to meet the ongoing operational needs of the Church.

	<u>2025</u>	<u>2024</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 4,317,859	4,019,217
Less those unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions	2,560,233	2,176,380
Board-designated reserves	<u>808,231</u>	<u>790,956</u>
	<u>3,368,464</u>	<u>2,967,336</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 949,395</u>	<u>1,051,881</u>

As part of the Church's liquidity management plan, the Church periodically invests cash in interest-bearing cash accounts. The Church can also use the line of credit discussed in Note 2 to meet liquidity needs.

**THE COLONIAL PRESBYTERIAN CHURCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**  
**(See Independent Accountants' Review Report)**

NOTE 11 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about accounts receivable, contract assets, and contract liabilities (preschool enrollment fees) for the years ended June 30, 2025 and 2024.

	<u>Accounts Receivable</u>	<u>Contract Assets</u>	<u>Contract Liabilities</u>
Balances, June 30, 2023	\$ -	-	40,622
Revenue recognized that was deferred at the beginning of year	-	-	(40,622)
Increase in deferred revenue due to receipts during the year ended June 30, 2024	<u>-</u>	<u>-</u>	<u>40,230</u>
Balances, June 30, 2024	-	-	40,230
Revenue recognized that was deferred at the beginning of the year	-	-	(40,230)
Increase in deferred revenue due to receipts during the year ended June 30, 2025	<u>-</u>	<u>-</u>	<u>43,910</u>
Balances, June 30, 2025	<u>\$ -</u>	<u>-</u>	<u>43,910</u>

NOTE 12 - FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocations on a reasonable basis that is consistently applied. All salaries, benefits, and other human resources costs have been allocated based on estimates of time and effort. All facilities related costs have been allocated primarily based on square footage. All other costs were allocated based on identification of the specific area benefited.