

**KANSAS DISTRICT COUNCIL OF THE  
ASSEMBLIES OF GOD, INC.**

**FINANCIAL STATEMENTS**

Years Ended December 31, 2023 and 2022

## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors

### **KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

Management is responsible for the accompanying financial statements of Kansas District Council of the Assemblies of God, Inc. (a non-profit organization), which comprise the statements of assets, liabilities, and net assets - modified cash basis as of December 31, 2023 and 2022, the related statements of revenues, expenses, and changes in net assets – modified cash basis, and statements of functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

*Swindoll, Janzen, Hawk & Loyd, LLC*

Wichita, Kansas  
May 2, 2024

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS**

December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 579,378	\$ 567,664
Notes receivable (less unamortized discount based on imputed interest rate of 3.5% of \$10,786 and \$10,786, respectively)	72,819	72,819
<b>TOTAL CURRENT ASSETS</b>	<b>652,197</b>	<b>640,483</b>
<b>PROPERTY AND EQUIPMENT</b> , at cost, less accumulated depreciation	1,654,517	1,540,386
<b>RESTRICTED DEPOSITS</b>		
Deposits restricted for loans to member churches	62,803	987
Deposits restricted for funding Lee Ministries	-	47,139
	62,803	48,126
<b>TOTAL ASSETS</b>	<b>\$ 2,369,517</b>	<b>\$ 2,228,995</b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 51,470	\$ 49,579
Accounts payable	1,777	-
<b>NOTES PAYABLE</b> , less current portion above	508,911	555,030
<b>TOTAL LIABILITIES</b>	<b>562,158</b>	<b>604,609</b>
<b><u>NET ASSETS</u></b>		
<b>NET ASSETS</b>		
Without donor restrictions	1,486,263	1,505,415
Without donor restrictions - board designated	311,080	-
With donor restrictions	10,016	118,971
<b>TOTAL NET ASSETS</b>	<b>1,807,359</b>	<b>1,624,386</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,369,517</b>	<b>\$ 2,228,995</b>

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS –  
MODIFIED CASH BASIS**

Year Ended December 31, 2023

	NET ASSETS AT BEGINNING OF YEAR	RECLASSIFICATIONS	RECLASSIFIED BEGINNING BALANCE	REVENUE, GAINS AND OTHER SUPPORT	EXPENSES	TRANSFER (TO)/FROM OTHER FUNDS	CHANGE IN NET ASSETS	NET ASSETS RELEASED FROM RE- STRICTION	NET ASSETS (DEFICIT) AT END OF YEAR
Undesignated									
General Administration	\$ 1,249,243	\$ (840,036)	\$ 409,207	\$ 1,163,282	\$ 1,226,835	\$ (82,626)	\$ (146,179)	\$ -	\$ 263,028
AGKSOM	-	-	-	27,448	22,895	-	4,553	-	4,553
Illuminate Fireowrks	-	6,081	6,081	40,846	44,952	-	(4,106)	-	1,975
Kansas Youth Ministries	(67,322)	(42,114)	(109,436)	297,187	310,664	123,522	110,045	-	609
Speed the Light	-	20,077	20,077	206,491	194,698	(31,000)	(19,207)	-	870
Women's Ministries	52,311	(53,050)	(739)	21,023	18,855	-	2,168	-	1,429
Threads	-	53,050	53,050	13,268	21,876	(10,000)	(18,608)	-	34,442
Girls' Ministries	3,012	-	3,012	8,090	8,427	-	(337)	-	2,675
Men's Ministries	12,496	-	12,496	14,780	10,238	(5,000)	(458)	-	12,038
Light for the Lost	-	-	-	21,068	16,298	-	4,770	-	4,770
Royal Rangers	3,392	-	3,392	51	47	-	4	-	3,396
Childrens Ministries	-	-	-	114,893	102,887	(8,800)	3,206	-	3,206
BGMC	-	15,956	15,956	20,878	29,294	-	(8,416)	-	7,540
JBQ	-	-	-	5,533	2,958	-	2,575	-	2,575
Ministries	-	-	-	650	56,414	56,000	236	-	236
Wheat State Retreat	168,590	(168,590)	-	677,631	737,920	(18,649)	(78,938)	-	(78,938)
Camp Improvement	-	-	-	208,453	27,944	(137,673)	42,836	-	42,836
U.S. Missions	35,700	(24,040)	11,660	6,885	44,577	125	(37,567)	-	(25,907)
Designated Offering	-	-	-	33,669	33,503	-	166	-	166
Vision	-	6,725	6,725	71,317	53,563	-	17,754	-	24,479
Chi Alpha	-	15,015	15,015	11,965	4,713	-	7,252	-	22,267
Enabled Ministry	-	2,300	2,300	3,631	3,331	-	300	-	2,600
World Missions	6,549	-	6,549	4,127	6,938	-	(2,811)	-	3,738
Network Development	41,444	(2,993)	38,451	2,744	15,075	-	(12,331)	-	26,120
WIMB	-	2,993	2,993	13,023	13,183	-	(160)	-	2,833
GEN Asset	-	540,995	540,995	-	-	(34,567)	(34,567)	-	506,428
WSR Asset	-	467,631	467,631	-	-	148,668	148,668	-	616,299
	1,505,415	-	1,505,415	2,988,933	3,008,085	-	(19,152)	-	1,486,263
Board Designated									
KS Network Property	-	-	-	331,679	20,599	-	311,080	-	311,080
<b>TOTAL WITHOUT DONOR RESTRICTION</b>	<b>1,505,415</b>	<b>-</b>	<b>1,505,415</b>	<b>3,320,612</b>	<b>3,028,684</b>	<b>-</b>	<b>291,928</b>	<b>-</b>	<b>1,797,343</b>
WITH DONOR RESTRICTION									
Lee Ministries	47,139	-	47,139	800	47,939	-	(47,139)	-	-
Revolving Loan Fund	71,832	-	71,832	-	31,909	(29,907)	(61,816)	-	10,016
<b>TOTAL WITH DONOR RESTRICTION</b>	<b>118,971</b>	<b>-</b>	<b>118,971</b>	<b>800</b>	<b>79,848</b>	<b>(29,907)</b>	<b>(108,955)</b>	<b>-</b>	<b>10,016</b>
	\$ 1,624,386	\$ -	\$ 1,624,386	\$ 3,321,412	\$ 3,108,532	\$ (29,907)	\$ 182,973	\$ -	\$ 1,807,359

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS –  
MODIFIED CASH BASIS**

Year Ended December 31, 2022

	NET ASSETS AT BEGINNING OF YEAR	REVENUE, GAINS AND OTHER SUPPORT	EXPENSES	TRANSFER (TO)/FROM OTHER FUNDS	CHANGE IN NET ASSETS	NET ASSETS RELEASED FROM RE- STRICTION	NET ASSETS (DEFICIT) AT END OF YEAR
Undesignated							
General Administration	\$ 1,161,553	\$ 1,232,904	\$ 1,090,019	\$ (55,195)	\$ 87,690	\$ -	\$ 1,249,243
Network Development	29,815	13,157	21,524	19,996	11,629	-	41,444
U.S. Missions	81,652	124,892	257,008	14,432	(117,684)	71,732	35,700
World Missions	12,851	15,167	21,469	-	(6,302)	-	6,549
Wheat State Camp	(3,979)	814,705	738,579	96,443	172,569	-	168,590
Woodston Camp	105,614	42,422	61,860	(86,176)	(105,614)	-	-
Kansas Youth Ministries	(5,627)	712,936	784,031	9,400	(61,695)	-	(67,322)
Women's Ministries	74,627	38,111	60,427	-	(22,316)	-	52,311
Girls' Ministries	4,799	6,532	8,819	500	(1,787)	-	3,012
Men's Ministries	12,959	22,880	23,943	600	(463)	-	12,496
Royal Rangers	3,179	793	580	-	213	-	3,392
	<u>1,477,443</u>	<u>3,024,499</u>	<u>3,068,259</u>	<u>-</u>	<u>(43,760)</u>	<u>71,732</u>	<u>1,505,415</u>
TOTAL WITHOUT DONOR RESTRICTION	1,477,443	3,024,499	3,068,259	-	(43,760)	71,732	1,505,415
WITH DONOR RESTRICTION							
Lee Ministries	37,273	81,598	-	-	81,598	(71,732)	47,139
Revolving Loan Fund	71,452	380	-	-	380	-	71,832
TOTAL WITH DONOR RESTRICTION	<u>108,725</u>	<u>81,978</u>	<u>-</u>	<u>-</u>	<u>81,978</u>	<u>(71,732)</u>	<u>118,971</u>
	<u>\$ 1,586,168</u>	<u>\$ 3,106,477</u>	<u>\$ 3,068,259</u>	<u>\$ -</u>	<u>\$ 38,218</u>	<u>\$ -</u>	<u>\$ 1,624,386</u>

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS**

Year Ended December 31, 2023

	<b>PROGRAM</b>	<b>MANAGEMENT AND GENERAL</b>	<b>FUND RAISING</b>	<b>TOTAL</b>
General Administration				
Personnel Expense	\$ -	\$ 784,728	\$ -	\$ 784,728
Facilities Expense	-	159,312	-	159,312
All Other	157,923	116,780	8,092	282,795
AGKSOM	22,895	-	-	22,895
Illuminate Fireworks	39,885	-	5,067	44,952
Kansas Youth Ministries				
Personnel Expense	78,747	-	-	78,747
Facilities Expense	638	-	-	
All Other	215,472	-	16,445	231,917
Speed the Light	179,993	-	14,705	194,698
Women's Ministries	18,855	-	-	18,855
Threads	18,436	-	3,440	21,876
Girl's Ministries	7,568	-	859	8,427
Men's Ministries	10,238	-	-	10,238
Light for the Lost	16,298	-	-	16,298
Royal Rangers	47	-	-	47
Children's Ministries	95,576	-	7,311	102,887
BGMC	19,989	-	9,305	29,294
JBQ	2,958	-	-	2,958
Ministries				
Personnel Expense	-	56,299	-	56,299
Facilities Expense	-	-	-	-
All Other	-	115	-	115
Wheat State Camp	-			
Personnel Expense	318,410	-	-	318,410
Facilities Expense	228,254	-	-	228,254
All Other	181,180	-	10,076	191,256
Camp Improvement	27,944	-	-	27,944
U.S. Missions	44,577	-	-	44,577
Designated Offering	33,503	-	-	33,503
Vision Fund	53,563	-	-	53,563
Chi Alpha	4,713	-	-	4,713
Enabled Ministry (Disability)	3,331	-	-	3,331
World Missions	6,938	-	-	6,938
Network Development	15,075	-	-	15,075
WIMB	12,623	-	560	13,183
KS Network Property	20,599	-	-	20,599
Revolving Loan	31,909	-	-	31,909
Lee Fund	47,939	-	-	47,939
	<u>\$ 1,916,076</u>	<u>\$ 1,117,234</u>	<u>\$ 75,860</u>	<u>\$ 3,108,532</u>

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS**

Year Ended December 31, 2022

	<b>PROGRAM</b>	<b>MANAGEMENT AND GENERAL</b>	<b>FUND RAISING</b>	<b>TOTAL</b>
General Administration				
Personnel Expense	\$ 57,431	\$ 706,611	\$ -	\$ 764,042
Facilities Expense	-	122,510	-	122,510
All Other	66,800	136,667	-	203,467
Wheat State Camp				
Personnel Expense	316,301	-	-	316,301
Facilities Expense	247,389	-	-	247,389
All Other	166,759	2,914	5,216	174,889
Kansas Youth Ministries				
Personnel Expense	149,336	-	-	149,336
Camp Expense	249,278	-	-	249,278
All Other	346,469	947	38,001	385,417
Network Development	21,011	513	-	21,524
U.S. Missions	255,935	1,073	-	257,008
World Missions	18,097	3,372	-	21,469
Woodston Camp	35,454	26,406	-	61,860
Women's Ministries	59,990	2	435	60,427
Girl's Ministries	8,819	-	-	8,819
Men's Ministries	23,943	-	-	23,943
Royal Rangers	580	-	-	580
	<u>\$ 2,023,592</u>	<u>\$ 1,001,015</u>	<u>\$ 43,652</u>	<u>\$ 3,068,259</u>

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

**(1) Summary of significant accounting policies**

**Nature of operations** – Kansas District Council of the Assemblies of God, Inc. (the Organization) is a non-profit organization established to provide ministries to women, men, youth, boys and girls, senior adults and those in prison, in addition to U.S. and world missions. The Board of Directors led by the District Superintendent provides vision and leadership for all the ministries of the District.

The Organization considers ministering to the spiritual needs of the people in the Kansas District and abroad to be its basic program.

The summary of significant accounting policies of the Organization is presented to assist in understanding its financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity.

**Financial statement presentation** – The Organization is required to report information regarding its financial position and activities utilizing two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions.

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 that 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.

**Fund accounting** – The accounts of the Organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Fund balances are classified on the Statements of assets, liabilities, and net assets – modified cash basis as net assets without donor restrictions and net assets with donor restrictions based on the absence or existence and type of donor-imposed restrictions.

**Cash and cash equivalents** – Cash and cash equivalents consist of cash in banks and certificates of deposits held at banks with original maturity dates of less than 90 days from the date of purchase.

**Property and equipment** – The Organization's policy is to capitalize asset purchases or improvements exceeding \$1,000. Property and equipment is carried at cost, if purchased, or estimated fair value at the date of donation, if donated.



**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

**(1) Summary of significant accounting policies (continued)**

**Asset impairment assessment** – The organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. An impairment of assets is evaluated based on the sum of undiscounted future cash flows expected to result from the use of the asset compared to its carrying value. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value, based on discounted estimated future cash flows. No impairment has been recognized through December 31, 2023.

**Fair value of financial instruments approximates carrying amount** – The Organization’s financial instruments are cash and cash equivalents, notes receivable, and notes payable. The recorded values of cash and cash equivalents and notes receivable approximate their fair values based on their short-term nature. The recorded value of notes payable approximates fair value, as interest approximates market rates.

**Recognition of donor restrictions** – Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires 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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenues, expenses and changes in net assets – modified cash basis as net assets released from restrictions.

**Donated property and equipment** – Donations of property and equipment are recorded as contributions at their fair value at the date of the donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**Donated facilities and services** – Donated facilities are valued at their fair value. Donated services are recognized as contributions in accordance with ASC 958, *Accounting for Contributions Received and Contributions Made*, at their estimated value on the date of receipt. Contributed services are recognized if the services (a) create or enhance non-financial assets; or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization did not receive any donated services during the years ended December 31, 2023 and 2022, which are required to be recorded.

**Revenue recognition** – Program service revenues, including camp activities are recognized by the Organization in the period in which the revenue is received. Contributions are recognized as income in the period in which the contributions are received. Performance obligations are based on the nature of the services provided by the Organization.

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

**(1) Summary of significant accounting policies (continued)**

**Revenue sources** – The primary sources of revenue for the Organization are from faith offerings from district churches, offerings for district church ministries, camp income and other miscellaneous sources of income. The organization also receives interest from interest-bearing depository accounts and outstanding balances of notes receivable.

**Functional allocation of expenses** - The costs of providing various programs and other activities have been summarized by fund in the statement of revenues, expenses, and changes in net assets – modified cash basis. The statement of functional expenses – modified cash basis presents the classification of expense by fund and function. The financial statements report certain categories of expenses that are attributable to one or more program or supporting function of the Organization.

Accordingly, certain expenses have been allocated among the programs and supporting services benefited. Those expenses include personnel expense, facilities expense, camp expenses and other. The expenses were allocated based on estimates of time, effort, and costs of specific technology utilized.

**Depreciation and amortization** – Depreciation and amortization are computed by the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Useful Lives</u>
Buildings	7 - 40 years
Furniture and fixtures	5 - 15 years
Automobiles and trucks	7 years
Land improvements	15 years

**Use of estimates** – The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Basis of accounting** – The financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain revenues have been recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. The modifications to the pure cash basis are as follows: net amounts arising from the disbursement of cash for loans to churches and the subsequent repayments are recorded as current assets; property and equipment purchases are recorded as fixed assets; depreciation expense and accumulated depreciation are recorded; net amounts arising from the receipt of borrowed cash and the subsequent repayments are recorded as liabilities; and employee payroll taxes not deposited with the IRS are recorded as liabilities and overpayments as assets.

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

**(1) Summary of significant accounting policies (continued)**

**Defined contribution plan** – The Organization provides retirement benefits to its employees and ministers through a defined contribution 403(b) plan covering all full-time employees and credentialed ministers. The Organization made discretionary matching contributions of up to 5% of employees' salaries. Amounts of \$42,141 and \$33,495 were remitted to the plan and allocated to employees during the years ended December 31, 2023 and 2022, respectively. The Organization also contributes 5% of the tithe and dues collected from each of the participating credentialed ministers to their respective accounts within the defined contribution 403(b) plan. Contributions totaling \$34,031 and \$34,520 for the years ended December 31, 2023 and 2022, respectively were made by the Organization to the ministers' accounts.

**Reclassifications** – Certain reclassifications have been made to the 2022 balances due to the addition of multiple new funds and departments. Management added these new funds and departments in order to better reflect cost of operations, maintain the balances of each fund and the programs within each department. These reclassifications did not impact the total assets, total liabilities, net assets or change in net assets previously reported.

**(2) Notes receivable**

Loans receivable are summarized as follows:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Principal and interest outstanding on notes to:		
City Church at face amount	\$ 54,476	\$ 54,476
Unamortized discount based on imputed interest rate of 3.5%	(10,786)	(10,786)
Mulvane	25,276	25,276
Lakin	3,853	3,853
Total notes receivable	<u>\$ 72,819</u>	<u>\$ 72,819</u>

The notes represent loans from the Organization to churches to fund various activities and operations and are stated at unpaid principal balances, less an allowance for loan losses and unamortized discounts. The Organization's practice is to charge off any loan or portion of a loan when the loan is determined to be uncollectible. The loans represent unsecured demand notes at interest rates set at 1% over prime rate at the time of the loan. As described in Note 3 the interest rate was reduced to 0% for the note receivable from City Church during the year ended December 31, 2012. In managements' opinion, the remaining balance of notes receivable is collectible and there have been no charge-offs for the years ended December 31, 2023 and 2022.

**(3) Loan modification**

Due to the nature of the relationships with the churches, the Organization has been willing, under appropriate circumstances, to make concessions to borrowers whose payments were not current or to refinance outstanding obligations. During the year ended December 31, 2012, the Organization refinanced the outstanding obligation from City Church to an interest rate of 0%.

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

**(3) Loan modification (continued)**

At the time of the loan modification, the Organization evaluated the loan for impairment and determined the remaining balance is collectible. Management of the Organization continues to monitor the performance and activity of City Church and, as of December 31, 2023, is confident that the principal will be collected.

**(4) Property and equipment**

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Cost		
Land	\$ 214,913	\$ 214,913
Building	3,019,113	2,844,007
Furniture and fixtures	285,296	328,635
Autos and trucks	18,457	18,457
Land Improvements	3,455	3,455
Total cost	<u>3,541,234</u>	<u>3,409,467</u>
Less: Accumulated depreciation	1,886,717	1,869,081
Net property and equipment	<u>\$ 1,654,517</u>	<u>\$ 1,540,386</u>

The Organization periodically evaluates the remaining useful life and recoverability of the buildings and equipment in light of current circumstances, and believes it will recover the carrying amount in future operations. The aggregate depreciation expense on the above property and equipment was \$68,402 and \$69,448 for the years ended December 31, 2023 and 2022 respectively.

**(5) Restricted deposits**

Under terms of donor restrictions, certain funds are required to be set aside for future loans to member churches. These funds are donor restricted funds. Other funds are to be held for starting new churches. Funds previously restricted to fund Lee Ministries have been returned and the Organization no longer holds these amounts as of December 31, 2023. These funds are also donor restricted funds. Use of all of these funds is contingent upon meeting the donor restrictions for disbursements. At times, there are also board-designated funds that are maintained as a reserve for similar purposes.

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

**(6) Notes payable**

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Note payable to Valley State Bank in monthly installments of \$5,911, including interest, through December 2032, as a result of refinancing a construction loan. Interest is charged at New York prime plus 1/2 percent (4.75% and 5.50% as of December 31, 2023 and 2022, respectively).	<u>\$ 560,381</u>	<u>\$ 604,609</u>
Total notes payable	560,381	604,609
Less current portion	51,470	49,579
Noncurrent portion	<u>\$ 508,911</u>	<u>\$ 555,030</u>

Maturities of long-term debt obligations are as follows:

<u>Years Ending December 31,</u>		
2024	\$	51,470
2025		53,434
2026		55,473
2027		57,589
2028		59,786
Thereafter		<u>282,629</u>
Total notes payable	<u>\$</u>	<u>560,381</u>

Interest costs incurred and charged to expense on notes payable obligations were \$27,772 and \$29,819 for the years ended December 31, 2023 and 2022, respectively.

**(7) Liquidity and availability**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and restricted deposits.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of ministering to the spiritual needs of the people in the Kansas District and abroad.

There are several items that impact the amounts available to meet general expenditures within one year of the date of the statements of assets, liabilities and net assets – modified cash basis. Donations restricted for specific purposes by the donor are not available for general expenditures, but for expenditures specified by the donor. Due to the nature of these restrictions these funds are not available for general expenditures.

As described in note 5, at times the Organization maintains board designated funds as restricted deposits for reserve and deferred compensation purposes.

In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

**(7) Liquidity and availability (continued)**

As of December 31, 2023 and 2022, the following tables present financial assets held by the Organization that could readily be made available within one year as of December 31, 2023 and 2022 to meet general expenditures:

	<b>2023</b>	<b>2022</b>
Financial assets at end of year:		
Cash and cash equivalents	\$ 579,378	\$ 567,664
Restricted deposits	62,803	48,126
 Total financial assets at end of year	 642,181	 615,790
 Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Subject to expenditures specified by donor (Lee Ministries and revolving loan funds)	(10,016)	(118,971)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 632,165	 \$ 496,819

**(8) Income taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. The Organization currently engages in no activities that would be taxed as unrelated business income. Accordingly, no provision has been made for Federal income tax.

The Organization has adopted the standards requiring disclosure of uncertain tax positions under the ASC Topic “Income Taxes”. There have not been any interest or penalties recognized in neither the statement of revenues, expenses and changes in net assets - modified cash basis nor in the statement of assets, liabilities, and net assets - modified cash basis related to uncertain tax positions. In addition, no tax positions exist for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next 12 months.

The Organization has been classified as an organization other than a private foundation under Section 509(a)(2) and is also a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A). This allows for donations to the Organization to be deductible as charitable contributions.

The Organization also qualifies as a religious order in accordance with IRC Sections 501-514, 4940-4947, and 6033, and therefore is exempt from filing federal Form 990, Return of Organizations Exempt from Income Tax.

**KANSAS DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, INC.**

**NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

**(9) Concentrations of credit risk from cash deposits in excess of insured limits**

The Organization maintains cash balances at several financial institutions located in Kansas and Pennsylvania. Amounts held on deposit at these institutions periodically exceed federally insured limits. Non-interest bearing transaction accounts are not subject to the FDIC limits and are fully insured as of December 31, 2023. The Organization has not experienced any losses in such accounts. Management continues to regularly monitor the strength of the financial institution and feels that the risk of loss is remote.

**(10) Earned Income Tax Credit**

During 2022, the Organization filed for and received an employee retention tax credit refund for payroll taxes paid during 2020 and 2021. Funds received of \$172,110 are included in revenues, gains, and other support on the statements of revenues, expenses and changes in net assets – modified cash basis for the year ended December 31, 2022.

**(11) Sale of Woodston Camp**

During 2022, the Organization sold all land, property, and equipment associated with its Woodston Camp for \$112,500, resulting in a loss of \$20,465. The Woodston Camp program has been discontinued and the remaining fund balance was transferred to the general administration fund on the statement of revenues, expenses, and changes in net assets – modified cash basis as of December 31, 2022.

**(12) Transfer of funds**

At the end of 2022, the Wheat State Retreat Fund had a net deficit. The Organization transferred \$96,443 from the General Fund to the Wheat State Retreat Fund to bring their net assets to zero. This transfer is included and presented in the transfer activity shown on the statement of revenues, expenses and changes in nets assets – modified cash basis as of and for the year ended December 31, 2022.

At the beginning of 2023, the KS Youth Ministries Fund had a net deficient. The Organization transferred \$111,022 from the General fund to the KS Youth Ministries Fund to bring their net assets to zero. This transfer is included and presented in the transfer activity shown on the statement of revenues, expenses and changes in nets assets – modified cash basis as of and for the year ended December 31, 2023.

**(13) Board designated funds**

During 2023, the Organization sold some undeveloped property for \$289,223. Proceeds from the sale are designated to support other churches in the Organization's network and are presented on the December 31, 2023 statement of revenues, expenses and changes in net assets – modified cash basis as the KS network property fund.

**(14) Subsequent events**

An evaluation of subsequent events was completed by management through May 2, 2024, which represents the date the financial statements were available to be issued. There were no significant events noted during this evaluation that require recognition or disclosure in the financial statements or the accompanying notes.