Presbytery of Greater Atlanta, Inc.

FINANCIAL STATEMENTS

January 31, 2023 and 2022

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REPORT

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INDEPENDENT AUDITORS' REPORT

To the Operations Committee of
Presbytery of Greater Atlanta, Inc.

Qualified Opinion

We have audited the accompanying financial statements of Presbytery of Greater Atlanta, Inc. (the Organization) (a nonprofit organization), which comprise the statements of financial position as of January 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, except for the effects of not consolidating its affiliated nonprofit entity, as discussed in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of Presbytery of Greater Atlanta, Inc. as of January 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note 2 to the financial statements, the Organization does not report its investment in New Church Development Commission, Inc. (an affiliated nonprofit entity). In our opinion, accounting principles generally accepted in the United States of America require that all controlled affiliate organizations be accounted for as consolidated affiliates. Quantification of the effects of this departure from generally accepted accounting principles on the financial position and changes in net assets and cash flows of Presbytery of Greater Atlanta, Inc. is not practicable.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Organization'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 Organization'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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
October 26, 2023

FINANCIAL STATEMENTS

Presbytery of Greater Atlanta, Inc.
Statements of Financial Position

January 31,		**2023**		2022
Assets				
Cash and cash equivalents	**$**	**33,400**	$	399,515
Certificates of deposit		**85,471**		85,471
Prepaid expenses		**4,204**		22,366
Other receivables, net		**44,118**		36,596
Notes receivable, net		**189,979**		-
Operating lease right-of-use assets, net		**13,735**		-
Promises to give, net		**230,931**		232,664
Investments in marketable securities		**6,420,536**		6,943,686
Property and equipment, net		**8,798,017**		9,511,182
Beneficial interest in perpetual trusts		**3,326,262**		4,110,784
Total assets	**$**	**19,146,653**	$	21,342,264
Liabilities and Net Assets				
Accounts payable and accrued expenses	**$**	**467,436**	$	31,578
Unconditional promises to give		**31,250**		66,250
Other liabilities		**2,099**		28,090
Operating lease liabilities		**13,735**		-
Note payable		**-**		33,154
Total liabilities		**514,520**		159,072
Net assets				
Without donor restrictions		**9,476,898**		10,666,550
With donor restrictions		**9,155,235**		10,516,642
Total net assets		**18,632,133**		21,183,192
Total liabilities and net assets	**$**	**19,146,653**	$	21,342,264

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

For the year ended January 31, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 523,078	$ 156,431	**$ 679,509**
Per capita fees	565,694	-	**565,694**
Investment income (loss), net	(15,837)	(366,893)	**(382,730)**
Investment income perpetual trusts	-	127,347	**127,347**
Loss on beneficial interest in perpetual trusts	-	(911,869)	**(911,869)**
Rental income	76,387	-	**76,387**
Gain (loss) on sale of property and equipment	(625,390)	-	**(625,390)**
Other income (loss)	(8,027)	-	**(8,027)**
Net assets released from restrictions	366,423	(366,423)	**-**
Total revenue and other support	882,328	(1,361,407)	**(479,079)**
Expenses			
Program services			
Fostering congregational vitality	1,340,381	-	**1,340,381**
New worshiping communities	553,771	-	**553,771**
Nurturing the call	155,571	-	**155,571**
Missional support	258,249	-	**258,249**
Denominational support	264,463	-	**264,463**
Total program services	2,572,435	-	**2,572,435**
Supporting services			
General and administrative	199,545	-	**199,545**
Total supporting services	199,545	-	**199,545**
Total expenses	2,771,980	-	**2,771,980**
Transfer of property from church	700,000	-	**700,000**
Change in net assets	(1,189,652)	(1,361,407)	**(2,551,059)**
Net assets at beginning of year	10,666,550	10,516,642	**21,183,192**
Net assets at end of year	$ 9,476,898	$ 9,155,235	**$ 18,632,133**

For the year ended January 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 542,091	$ 115,395	$ 657,486
Per capita fees	595,875	-	595,875
Transfer of funds from dissolved churches	-	327,881	327,881
Investment income (loss), net	25,588	456,864	482,452
Investment income perpetual trusts	-	92,171	92,171
Gain on beneficial interest in perpetual trusts	-	454,922	454,922
Rental income	81,874	-	81,874
Other income	9,275	-	9,275
Net assets reclassified by Presbytery for Congregational Support	(377,504)	377,504	-
Net assets released from restrictions	282,701	(282,701)	-
Total revenue and other support	1,159,900	1,542,036	2,701,936
Expenses			
Program services			
Fostering congregational vitality	1,366,193	-	1,366,193
New worshiping communities	630,999	-	630,999
Nurturing the call	120,902	-	120,902
Missional support	193,956	-	193,956
Denominational support	271,317	-	271,317
Total program services	2,583,367	-	2,583,367
Supporting services			
General and administrative	180,223	-	180,223
Total supporting services	180,223	-	180,223
Total expenses	2,763,590	-	2,763,590
Transfer of property from church	1,851,000	-	1,851,000
Change in net assets	247,310	1,542,036	1,789,346
Net assets at beginning of year	10,419,240	8,974,606	19,393,846
Net assets at end of year	$ 10,666,550	$ 10,516,642	$ 21,183,192

For the year ended January 31, 2023

	Program Services						Supporting Services	
	Fostering Congregational Vitality	New Worshiping Communities	Nurturing the Call	Missional Support	Denominational Support	Total Program	General and Administrative	Total
Salaries and wages	$ 443,094	$ 24,964	$ 54,976	$ 17,934	$ 7,738	$ 548,706	$ 64,299	**$ 613,005**
Payroll taxes and benefits	194,213	10,228	22,525	7,348	3,170	237,484	26,345	**263,829**
Contributions	400,358	486,008	11,317	203,837	244,980	1,346,500	-	**1,346,500**
Food and beverage	1,460	209	424	66	27	2,186	316	**2,502**
Insurance	33,536	2,026	1,528	639	256	37,985	3,056	**41,041**
Interest	656	-	-	-	-	656	-	**656**
Professional fees	5,500	-	-	10,000	-	15,500	55,950	**71,450**
Travel and lodging	4,037	227	1,486	1,545	71	7,366	585	**7,951**
Training and education	12,966	373	40,890	478	116	54,823	961	**55,784**
Equipment	6,655	953	719	301	120	8,748	1,438	**10,186**
Supplies	3,876	128	96	1,089	4,354	9,543	473	**10,016**
Postage	532	76	58	24	10	700	115	**815**
Website	17,011	2,437	1,838	768	309	22,363	3,675	**26,038**
Utilities	4,162	730	551	230	93	5,766	1,101	**6,867**
Repairs and maintenance	73,888	5,579	4,207	7,738	707	92,119	8,415	**100,534**
Depreciation	132,304	18,954	14,294	5,975	2,401	173,928	28,588	**202,516**
Telephone	6,133	879	662	277	111	8,062	1,325	**9,387**
Bank and other fees	-	-	-	-	-	-	2,903	**2,903**
Total	$ 1,340,381	$ 553,771	$ 155,571	$ 258,249	$ 264,463	$ 2,572,435	$ 199,545	**$ 2,771,980**

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

For the year ended January 31, 2022

	Program Services						Supporting Services	
	Fostering Congregational Vitality	New Worshiping Communities	Nurturing the Call	Missional Support	Denominational Support	Total Program	General and Administrative	Total
Salaries and wages	$ 426,735	$ 23,707	$ 53,342	$ 17,781	$ 11,854	$ 533,419	$ 59,269	$ 592,688
Payroll taxes and benefits	170,823	9,490	21,353	7,117	4,745	213,528	30,036	243,564
Contributions	503,546	566,841	3,671	135,728	249,887	1,459,673	-	1,459,673
Food and beverage	524	80	567	24	8	1,203	113	1,316
Insurance	24,703	1,079	755	324	108	26,969	1,510	28,479
Interest	1,985	-	-	-	-	1,985	-	1,985
Professional fees	2,888	-	-	10,000	-	12,888	38,600	51,488
Travel and lodging	3,393	188	424	141	94	4,240	472	4,712
Training and education	1,811	101	20,132	3,776	50	25,870	252	26,122
Equipment	6,661	1,025	717	307	103	8,813	1,435	10,248
Supplies	7,956	178	125	1,789	1,637	11,685	259	11,944
Postage	724	112	78	33	11	958	156	1,114
Website	14,518	2,234	1,563	670	223	19,208	3,127	22,335
Utilities	6,768	551	386	165	55	7,925	771	8,696
Repairs and maintenance	58,837	4,749	3,324	9,901	475	77,286	12,156	89,442
Depreciation	127,331	19,589	13,712	5,877	1,959	168,468	27,425	195,893
Telephone	6,990	1,075	753	323	108	9,249	1,505	10,754
Bank and other fees	-	-	-	-	-	-	3,137	3,137
Total	$ 1,366,193	$ 630,999	$ 120,902	$ 193,956	$ 271,317	$ 2,583,367	$ 180,223	$ 2,763,590

Presbytery of Greater Atlanta, Inc.
Statements of Cash Flows

For the years ended January 31,	**2023**	2022
Operating Activities		
Change in net assets	**$ (2,551,059)**	$ 1,789,346
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	**202,516**	195,893
Amortization of operating lease right-of-use assets	**3,589**	-
Transfer of property	**(700,000)**	(1,851,000)
Loss (gain) on disposal of property	**625,390**	-
Unrealized and realized loss (gain) on investments	**455,781**	(407,488)
Net change in beneficial interest in perpetual trusts	**784,522**	(874,974)
Changes in operating assets and liabilities		
Prepaid expenses	**18,162**	2,835
Other receivables	**(7,522)**	(1,663)
Notes receivable	**(189,979)**	-
Promises to give	**1,733**	1,576
Accounts payable and accrued expenses	**435,858**	(12,264)
Unconditional promises to give	**(35,000)**	17,750
Other liabilities	**(25,991)**	(79,103)
Operating lease liabilities	**(3,589)**	-
Net cash provided by (used in) operating activities	**(985,589)**	(1,219,092)
Investing Activities		
Purchase of investments	**(83,630)**	(2,114,527)
Proceeds from sale of investments	**150,999**	224,800
Purchase of property and equipment	**(2,138)**	(12,046)
Proceeds from sale of property and equipment	**587,397**	-
Net cash provided by (used in) investing activities	**652,628**	(1,901,773)
Financing Activities		
Principal payments on notes payable	**(33,154)**	(11,029)
Net change in cash and cash equivalents	**(366,115)**	(3,131,894)
Cash and cash equivalents at beginning of year	**399,515**	3,531,409
Cash and cash equivalents at end of year	**$ 33,400**	$ 399,515

(Continued)

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

For the years ended January 31,		**2023**		2022
Schedule of Certain Cash Flow Information				
Cash paid for interest	**$**	**656**	$	1,985
Schedule Noncash Transactions				
In-kind contribution of property	**$**	**700,000**	$	1,851,000
Lease liabilities arising from obtaining right of use assets				
Operating leases	**$**	**17,324**	$	-

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

Note 1: DESCRIPTION OF THE ORGANIZATION

Presbytery of Greater Atlanta, Inc. (the Organization), a nonprofit 501(c)(3) organization, was incorporated in 1920 under the laws of the state of Georgia. The Organization serves the Presbyterian Church (U.S.A.) as the primary governing body of the Atlanta District. The Organization had approximately 85 member churches as of January 31, 2023. The Organization's purpose is to be a catalyst, creator, and equipper of healthy, vital, and growing congregations in all regions of the Presbytery so that the congregations in the Organization's jurisdiction are growing in their attitude, effectiveness, and numbers toward the Great Ends of the Church.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

The accompanying financial statements include only the accounts of the Organization. In the opinion of management of the Organization, the member churches are not considered to be entities controlled by the Organization. Each member church is responsible for its own affairs but does have a connectional relationship to the Organization. Management believes that the Organization is not legally responsible for the financial condition or obligations of the member churches except as disclosed in Note 16 to the financial statements.

New Church Development Commission, Inc. (NCD) (an affiliated nonprofit entity) is separately incorporated and has a Board of Directors that is nominated and elected by the Organization. In accordance with U.S. GAAP, the financial statements of a nonprofit organization that is separately incorporated but controlled by another organization should be consolidated into the controlling organization's financial statements. These financial statements are not intended to be a complete presentation of the consolidated entity; accordingly, the assets, liabilities, net assets, activities and cash flows of NCD are not included in this presentation. The Organization and NCD work together to achieve the Organization's mission of church development.

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allowance for promises to give doubtful accounts, the estimated right-of-use assets and lease liabilities, depreciation of property and equipment, fair value of investments in marketable securities and beneficial interest in trust, discount on notes receivable, value of in-kind property, and allocations used in the statements of functional expenses.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Services

The Organization’s program services consist of the following:

Fostering congregational vitality – supports existing churches.

New worshipping communities – supports new churches that are not yet PCUSA congregations.

Nurturing the call – supports pastors within the presbytery.

Missional support – supports metro area ministry partner organizations.

Denominational support – supports PCUSA regional and national offices.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Other Receivables

Other receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on other receivables using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible other receivable when management determines the receivable will not be collected.

Notes Receivable

Notes receivable balance consists of low interest or non-interest bearing loans. The loans are secured by real estate and payable per the contractual terms of the loan. Receivables are recorded upon the sale of property, and in accordance with GAAP, are discounted based upon the prevailing market rates at the inception of the loan. These loans have been discounted at a rate of 5.0%. Interest income is recorded under the interest method in accordance with GAAP.

It is the policy of management to initiate foreclosure when an account is delinquent by ninety days or more. Delinquent loan status is based on the contractual terms of the loan. Management believes that the loans are collectible and any losses from uncollectible loans would be offset by the subsequent sale of the real estate. Accordingly, no allowance for uncollectible accounts has been recorded.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Beneficial Interest in Trusts

The Organization is the named beneficiary of irrevocable trusts held by the Presbyterian Foundation. These trusts are considered endowments perpetual in nature. The purpose of the trusts is to support the future needs of the Organization. Pursuant to financial accounting standards, a beneficial interest in trust and revenue with donor restriction were recognized for the fair value of the assets contributed to the trust. The beneficial interest in trusts is adjusted during the term of the trusts for changes in the value of the assets. Income distributions to the Organization are made quarterly and recorded as investment income. The Organization has the irrevocable right to receive its share of the annual net income of the trust assets in perpetuity, but will never receive the assets of the trusts.

Property and Equipment

All acquisitions of property and equipment in excess of $1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Leases

The Organization leases equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for programs, general and administrative and other designations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Revenue Recognition

Contributions and the related disbursements that are directed by member churches to be paid to certain agencies, and for which the Organization is not granted the variance power necessary to change recipients for those payments, are not included in total revenue and total expense in the statements of activities. Rather, contributions are recorded as a liability when received, and the liability is reduced when subsequently paid to the designated recipient.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

Each year the General Assembly, Synod and Presbytery assess an amount to be paid by each member church to its local presbytery district office based on church membership. These per capita fees are recognized as revenue without donor restrictions of the Organization in the year of the assessment.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

The assets of closed churches are transferred to the Organization and are recognized in the year of closure in the accompanying statements of activities at their estimated fair value.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries and wages, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to bank and other fees, telephone, postage, insurance, supplies, equipment, utilities, repairs and maintenance, depreciation, website, food and beverage are allocated across functional areas based on a fixed percentage.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. The Organization had no unrelated business income for the years ended January 31, 2023 and 2022.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740*, Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of January 31, 2023 and 2022, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 26, 2023, and determined there were no events that occurred requiring disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective February 1, 2022, and recognized and measured leases existing at, or entered into after, February 1, 2022, using a modified retrospective approach, with certain practical expedients available. The standard did not have a material impact on the Organization's statement of financial position, statement of activities or statement of cash flows. The most significant impact was the recognition of the ROU assets and lease liabilities for operating leases.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. The change in accounting principle did not have a material impact on the financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents and investment in marketable securities to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial positon date, reduced by amounts not available for general use within one year of the statement of financial positon date because of contractual or donor-imposed restrictions.

January 31,	**2023**	2022
Total assets at year end	**$ 19,146,653**	$ 21,342,264
Less non-financial assets		
Prepaid expenses	**(4,204)**	(22,366)
Operating lease right-of-use assets, net	**(13,735)**	-
Property and equipment, net	**(8,798,017)**	(9,511,182)
Financial assets at year end	**10,330,697**	11,808,716
Less those assets not available for general expenditure within one year, due to contractual or donor imposed restrictions	**(9,155,235)**	(10,516,642)
Financial assets available to meet cash needs for general expenditures within one year	**$ 1,175,462**	$ 1,292,074

The Organization is principally supported by contributions with and without donor restrictions, per capita fees from member churches, and investment income.

Note 4: OTHER RECEIVABLES AND PROMISES TO GIVE

In September 2000, Druid Hills Presbyterian Church granted the Organization a lease of land to build its office building. The lease has an initial term of fifty years plus an option to extend for two twenty-five year periods. The lease is for the footprint of the building plus five feet on each side of the building, which equals approximately 5,000 square feet. Fair market value at the time of the lease was calculated at approximately $50 per square foot. Lease value was determined using a 10% annual return on investment on payments of $25,000 per year for fifty years. Amortization of the discount in 2023 and 2022 was $23,266 and $23,424, respectively, and is included in contributions with donor restrictions on the statements of activities.

Other receivables consist of the following:

January 31,	**2023**	2022
Member churches	**$ 88,739**	$ 81,217
Other	**-**	1,779
Total other receivables	**88,739**	82,996
Less allowance for doubtful accounts	**(44,621)**	(46,400)
Other receivables, net	**$ 44,118**	$ 36,596

Note 4: OTHER RECEIVABLES AND PROMISES TO GIVE (Continued)

Promises to give consist of the following:

January 31,	**2023**	2022
Contributed use of property due in:		
Less than one year	**$ 25,000**	$ 25,000
One to five years	**100,000**	100,000
More than five years	**550,000**	575,000
Total promises to give	**675,000**	700,000
Less discount on contributed property	**(444,069)**	(467,336)
Promises to give, net	**$ 230,931**	$ 232,664

Note 5: NOTES RECEIVABLE

Notes receivable consist of the following:

January 31,	2023
Receivable within one year	$ 13,033
Receivable in one to five years	67,009
Receivable after five years	393,981
Total notes receivable	474,023
Discounted at 5.0%	(284,044)
Notes receivable, net	$ 189,979

Note 6: INVESTMENTS

Investments in marketable securities consist of the following:

January 31,	**2023**	2022
Non-traded certificates of deposit	**$ 888,055**	$ 880,020
Money market	**125,591**	-
Mutual funds		
Fixed income	**1,725,680**	1,036
Large-cap growth	**3,681,210**	6,062,630
Total investments	**$ 6,420,536**	$ 6,943,686

Note 7: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at January 31, 2023 and 2022:

	Estimated Useful Lives (in years)	**2023**	2022
Land		**$ 6,393,557**	$ 6,830,094
Building and improvements	10 - 30	**4,105,823**	4,525,823
Furniture, fixtures and equipment	3 - 10	**79,288**	99,130
Total depreciable property and equipment		**10,578,668**	11,455,047
Less accumulated depreciation		**(1,780,651)**	(1,943,865)
Total property and equipment, net		**$ 8,798,017**	$ 9,511,182

Depreciation expense for the years ended January 31, 2023 and 2022 amounted to $202,516 and $195,893, respectively.

For the year ended January 31, 2023, the Organization received the transfer of the building and land for one church; this transfer was recorded at $700,000, which represents the fair value of this property.

For the year ended January 31, 2023, the Organization sold the land and buildings for two churches and one ministry. Total proceeds of $587,397 and loss of $625,390 were recorded related to these transactions.

For the year ended January 31, 2022, the Organization received the transfer of the building and land for one church; this transfer was recorded at $1,851,000, which represents the fair value of this property.

Note 8: LEASES

The Organization has operating leases for equipment. The components of lease expense were as follows:

For the year ended January 31,	2023
Operating lease cost	$ 18,059

Note 8: LEASES (Continued)

Weighted average remaining lease term and discount rates consist of the following:

For the year ended January 31,		2023
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	$	17,324
Weighted average remaining lease term		
Operating leases		4.26 years
Weighted average discount rate		
Operating leases		1.65%

Future minimum lease payments under non-cancellable operating leases as of January 31, 2023, are as follows:

For the years ending January 31,		
2024	$	3,824
2025		3,447
2026		2,696
2027		2,696
2028		1,572
Total future minimum lease payments		14,235
Less imputed interest		(500)
Present value of lease liabilities	$	13,735

Minimum lease payments under operating leases as of January 31, 2022, for future years are as follows:

For the years ending January 31,		
2023	$	4,936
2024		3,824
2025		3,447
2026		2,696
2027		2,696
Thereafter		1,572
Total	$	19,171

Note 9: BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Presbyterian Foundation holds funds for which the Organization is the beneficiary. The funds are irrevocable gifts to the Presbyterian Foundation and are considered endowments perpetual in nature. The Organization reports the fair value of the funds as beneficial interest in perpetual trusts in the statements of financial position. The Organization receives distributions from the trusts representing its share of the trusts' net income, which is expended based on the donor-imposed restrictions. Distributions from the trusts are recorded as investment income. Change in the value of the beneficial interest in trusts are reported as gains or losses in the statements of activities.

Activity for the beneficial interest in trusts is summarized below for the years ending January 31, 2023 and 2022:

For the years ended January 31,	**2023**	2022
Beginning balance	**$ 4,110,784**	$ 3,235,810
Contributions to beneficial interest in perpetual trusts	**-**	327,881
Distribution to Organization	**(127,347)**	(92,171)
Change in beneficial interest in perpetual trusts	**(657,175)**	639,264
Net change	**(784,522)**	874,974
Ending balance	**$ 3,326,262**	$ 4,110,784

Note 10: UNCONDITIONAL PROMISES TO GIVE

The Organization approved church revitalization grants to two Presbyterian churches totaling $107,500 during the year ended January 31, 2022. Payments totaling $35,000 and $41,250 were distributed during the years ended January 31, 2023 and 2022, respectively. The remaining installments of $31,250 at January 31, 2023, is expected to be distributed during the year ended January 31, 2024.

Note 11: NOTE PAYABLE

Note payable consists of the following:

January 31,	2022
Note payable to financial institution, monthly payments of $1,085, interest of 5.0% per annum, maturity of December 2024, collateralized by real property, building and improvements.	$ 33,154
Note payable	$ 33,154

In June 2022, the note payable was paid in full. Interest expense related to the note payable was $656 and $1,985 for the years ended January 31, 2023 and 2022, respectively.

Note 12: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

January 31,	**2023**	2022
Undesignated	**$ 8,531,569**	$ 9,648,041
Board designated		
Programs		
Fostering congregational vitality	**546,880**	597,473
Nurturing the call	**38,761**	39,093
Missional support	**120,114**	140,520
Denominational support	**9,889**	9,889
General and administrative	**229,685**	231,534
Total net assets without donor restrictions	**$ 9,476,898**	$ 10,666,550

A summary of net assets with donor restrictions consists of the following:

January 31,	**2023**	2022
Net assets with purpose or time restrictions		
Programs		
Fostering congregational vitality	**$ 2,336,453**	$ 2,608,348
Nurturing the call	**61,633**	68,503
Missional support	**1,683,673**	1,981,687
Denominational support	**47,411**	58,036
Time restricted for operations	**233,624**	232,664
Total net assets with purpose or time restrictions	**4,362,794**	4,949,238
Net assets perpetually restricted		
Programs		
Fostering congregational vitality	**1,643,876**	2,022,007
Nurturing the call	**62,141**	70,910
Missional support	**3,065,179**	3,453,242
Denominational support	**21,245**	21,245
Total net assets perpetually restricted	**4,792,441**	5,567,404
Total net assets with donor restrictions	**$ 9,155,235**	$ 10,516,642

Note 12: NET ASSETS (Continued)

A summary of the release of donor restrictions consist of the following:

For the years ended January 31,		**2023**		2022
Programs				
Fostering congregational vitality	**$**	**177,638**	$	134,545
Nurturing the call		**7,830**		4,300
Missional support		**148,217**		18,928
Denominational support		**7,738**		99,928
Time restricted for operations		**25,000**		25,000
Total net assets released from donor restrictions	**$**	**366,423**	$	282,701

In accordance with Presbyterian Church (U.S.A.) policy, net proceeds of $377,504 from the sale of property were reclassified for the purpose of Congregational Support during 2022.

Note 13: ENDOWMENTS

The Organization's endowment consists of thirteen individual funds established for a variety of purposes. Its endowment includes only donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Operations Committee to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Operations Committee of the Organization has interpreted the State of Georgia's Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Operations Committee, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Note 13: ENDOWMENTS (Continued)

Endowment assets are managed by the Presbyterian Church (U.S.A) Foundation and invested in publically traded mutual funds or combined in the Presbyterian Church (U.S.A) Foundation's investment pool, which is a broadly diversified fund consisting of equities, fixed income, real estate, and private equity.

Spending Policy. The Organization has a policy on certain endowment funds of appropriating each year for distribution 5% of its endowment fund's average fair value of the prior 12 quarters preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. For endowment funds outside of this policy, the Organization approves distributions from the endowment on a case by case basis, considering factors such as donor restrictions, the accumulated earnings in the fund, and the needs of the Organization.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies at January 31, 2023 and 2022.

Endowment net asset composition by type of fund consist of the following:

January 31,	**2023**	2022
Endowment funds with donor restrictions	**$ 6,304,264**	$ 7,448,257
Total endowment funds	**$ 6,304,264**	$ 7,448,257

Changes in endowment net assets, with donor restrictions, consists of the following for the years ended January 31, 2023 and 2022:

For the years ended January 31,	**2023**	2022
Endowment net assets - February 1,	**$ 7,448,257**	$ 6,432,463
Contributions	**9,558**	337,446
Change in beneficial interest in trusts	**(784,521)**	547,093
Investment return	**34,612**	37,001
Net appreciation (depreciation)	**(253,662)**	319,054
Amounts appropriated for expenditure	**(149,980)**	(224,800)
Endowment net assets - January 31,	**$ 6,304,264**	$ 7,448,257

Note 14: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at January 31, 2023 and 2022.

Non-traded certificates of deposit: Valued at cost plus accrued interest which approximates fair value. Non-traded certificates of deposit are under the Presbyterian Investment and Loan Program.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) per share and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Beneficial interest in assets held in trust: The Organization holds certain beneficial interest in trusts that are measured at fair value using the NAV per share (or its practical expedient) and have not been categorized within the fair value hierarchy. These beneficial interest in trusts are part of the pooled investments at the Presbyterian Church Foundation. The Presbyterian Foundation values securities and other financial instruments on a fair value basis of accounting. The Presbyterian Foundation's investments are composed of approximately 50% of equities, 18% of fixed income, 10% real estate and 22% of other assets. The beneficial interest in assets held at the Presbyterian Foundation are not redeemable by the Organization as described in Note 9.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Note 14: FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis consist of the following:

January 31, 2023	Net Asset Value	Level 1	Level 2	Level 3	Total
Non-traded certificates of deposit	$ -	$ -	$ 888,055	$ -	**$ 888,055**
Mutual funds					
Money market	-	125,591	-	-	**125,591**
Fixed income	-	1,725,680	-	-	**1,725,680**
Equities	-	3,681,210	-	-	**3,681,210**
Total investments	$ -	5,532,481	$ 888,055	$ -	**$ 6,420,536**
Cash	$ -	$ 11,279	$ -	$ -	**$ 11,279**
Nonpublicly traded funds	3,314,983	**-**	**-**	**-**	**3,314,983**
Total beneficial interests in perpetual trusts	$ 3,314,983	$ 11,279	$ -	$ -	**$ 3,326,262**

January 31, 2022	Net Asset Value	Level 1	Level 2	Level 3	Total
Non-traded certificates of deposit	$ -	$ -	$ 880,020	$ -	$ 880,020
Mutual funds					
Fixed income	-	1,036	-	-	1,036
Large-cap growth	-	6,062,630	-	-	6,062,630
Total investments	$ -	$ 6,063,666	$ 880,020	$ -	$ 6,943,686
Cash	$ -	$ 10,855	$ -	$ -	$ 10,855
Nonpublicly traded funds	4,099,929	-	-	-	4,099,929
Total beneficial interests in perpetual trusts	$ 4,099,929	$ 10,855	$ -	$ -	$ 4,110,784

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended January 31, 2023 and 2022, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 15: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash deposits with financial institutions at January 31, 2022, in excess of federally insured limits of $209,988. At January 31, 2023, cash deposits did not exceed federally insured limits.

Note 16: COMMITMENTS

As further discussed in Note 11, there is a note payable outstanding on the land and building leased by a Presbyterian organization for use in its mission. The monthly lease amount equals the amount of the monthly note payment. Under the terms of the lease, the lessee has the option to purchase the land and building from the Organization for the amount outstanding on the related note payable. The lessee purchased the property in June 2022 per the terms of the lease and the note payable balance was paid in full.

The Organization leases land and building of another church to a Presbyterian organization for use in its mission. The lessee purchased the property in January 2023.

The Organization leases land to a cell phone company. Under the terms of the lease, in April 2023 the lease was extended for a five-year period with the option for two additional five-year terms.

As of January 31, leased property consists of the following:

January 31,	**2023**	2022
Land	**$ 19,972**	$ 179,972
Building	**-**	620,000
Total	**19,972**	799,972
Less accumulated depreciation	**-**	(323,333)
Land and leased building, net	**$ 19,972**	$ 476,639

Rental income from all leases for the years ended January 31, 2023 and 2022, was $76,387 and $81,874, respectively. The future minimum rental income expected to be received under the leases is as follows:

For the years ending January 31,	
2024	$ 74,064
2025	74,064
2026	74,064
2027	74,064
2028	18,516
Total future minimum lease income	$ 314,772

The Organization also makes available certain buildings and land for use by affiliated organizations to further their mission.

Note 16: COMMITMENTS (Continued)

The Organization is contingently liable as guarantor on loans made to certain member churches by the General Assembly of the Presbyterian Church (U.S.A.) and commercial lending institutions. Substantially all of the loans are secured by the related property. The maturity dates of the loans range from March 2023 to January 2041.

January 31,	**2023**	2022
General assembly loans	**$ 5,528,656**	$ 4,798,382
Commercial lending institution loans	**4,435,697**	5,883,234
Total guaranteed loans	**$ 9,964,353**	$ 10,681,616

Note 17: RETIREMENT PLAN AND RELATED PARTY TRANSACTIONS

The Organization participates with other Presbyterian Churches in a defined benefit pension plan administered by the Board of Pensions of the Presbyterian Church (U.S.A.) covering all ordained Pastors and lay employees. The Organization’s contribution to this plan is based on a defined contribution formula computed as 8.5% of each participant’s effective salary for the years ended January 31, 2023 and 2022. The Organization also has a 403(b) retirement plan that is open to all employees. The plan is funded by voluntary employee deductions and contributions from the Organization. Retirement expense for all employees for the years ended January 31, 2023 and 2022 totaled $49,505 and $48,674, respectively.