

**King of Kings Lutheran Church
and Affiliates
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
For the years ended December 31, 2023 and 2022**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1 - 3
FINANCIAL STATEMENTS	
Consolidated statements of financial position December 31, 2023 and 2022	4
Consolidated statement of activities for the year ended December 31, 2023	5
Consolidated statement of activities for the year ended December 31, 2022	6
Consolidated statement of functional expenses for the year ended December 31, 2023	7
Consolidated statement of functional expenses for the year ended December 31, 2022	8
Consolidated statements of cash flows for the years ended December 31, 2023 and 2022	9
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	10 - 21
SUPPLEMENTAL INFORMATION	
Consolidating statement of financial position December 31, 2023	23
Consolidating statement of financial position December 31, 2022	24
Consolidating statement of activities for the year ended December 31, 2023	25
Consolidating statement of activities for the year ended December 31, 2022	26
Consolidating statement of functional expenses for the year ended December 31, 2023	27



INDEPENDENT AUDITOR'S REPORT

To the Board of Lay Ministry of
King of Kings Lutheran Church and Affiliates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of King of Kings Lutheran Church (a non-profit organization) and its Affiliates (together the Church), which comprise the consolidated statements of the financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Church as of December 31, 2023 and 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Church and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Church'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 Church'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information on pages 23 to 27 is presented for the purpose of

additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hayes & Associates, L.L.C.

Hayes & Associates, L.L.C.
Omaha, Nebraska
July 12, 2024

King of Kings Lutheran Church and Affiliates
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,362,095	\$ 15,190,508
Cash restricted by donor	598,169	865,877
Cash designated by board	2,320,234	95,439
Accounts receivable	13,007	11,732
Inventories	13,490	5,295
Prepaid expenses	23,773	16,548
Total current assets	<u>13,330,768</u>	<u>16,185,399</u>
NONCURRENT ASSETS		
Capital assets, net	6,958,240	5,310,126
Right of use asset, net	61,193	9,178
Other assets, net	9,009	9,009
Total noncurrent assets	<u>7,028,442</u>	<u>5,328,313</u>
Total assets	<u><u>\$ 20,359,210</u></u>	<u><u>\$ 21,513,712</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 157,130	\$ 174,355
Accrued salaries, vacation, and benefits payable	291,115	265,868
Deferred revenue	1,126	1,450
Lease liability - current	12,078	9,178
Total current liabilities	<u>461,449</u>	<u>450,851</u>
LONG-TERM LIABILITIES		
Lease liability - long-term	50,190	-
Other long-term liabilities	5,000	5,000
Total liabilities	<u>516,639</u>	<u>455,851</u>
NET ASSETS		
Board Designated		
Net assets without donor restrictions		
Designated by board	2,320,234	95,439
Undesignated	16,948,510	20,097,554
Total net assets without donor restrictions	<u>19,268,744</u>	<u>20,192,993</u>
Net assets with donor restrictions	573,827	864,868
Total net assets	<u>19,842,571</u>	<u>21,057,861</u>
Total liabilities and net assets	<u><u>\$ 20,359,210</u></u>	<u><u>\$ 21,513,712</u></u>

See accompanying notes and independent auditor's report.

King of Kings Lutheran Church and Affiliates
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT, AND RECLASSIFICATIONS			
Contributions/offerings	\$ 3,611,475	\$ 510,948	\$ 4,122,423
Tuition	1,454,276	-	1,454,276
Property rental	737,400	-	737,400
Net investment income/(loss)	567,572	120,127	687,699
Program income	2,426	2,693	5,119
Merchandise Income	1,003	-	1,003
Other operating revenue	21,813	-	21,813
Net assets released from restrictions	924,809	(924,809)	-
Total revenues, support, and reclassifications	<u>7,320,774</u>	<u>(291,041)</u>	<u>7,029,733</u>
EXPENSES			
Program services	7,301,243	-	7,301,243
Management and general	943,780	-	943,780
Total expenses	<u>8,245,023</u>	<u>-</u>	<u>8,245,023</u>
INTERCOMPANY TRANSFER TO (FROM) AFFILIATE	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(924,249)	(291,041)	(1,215,290)
NET ASSETS, BEGINNING OF YEAR	<u>20,192,993</u>	<u>864,868</u>	<u>21,057,861</u>
NET ASSETS, END OF YEAR	<u><u>\$ 19,268,744</u></u>	<u><u>\$ 573,827</u></u>	<u><u>\$ 19,842,571</u></u>

See accompanying notes and independent auditor's report.

King of Kings Lutheran Church and Affiliates
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT, AND RECLASSIFICATIONS			
Contributions/offerings	\$ 3,589,230	\$ 774,553	\$ 4,363,783
Tuition	1,293,703	-	1,293,703
Property rental	681,358	-	681,358
Miscellaneous property income	4,650	-	4,650
Net investment income/(loss)	(139,982)	(22,033)	(162,015)
Conferences/events	29,776	13,964	43,740
Publishing sales	2,238	-	2,238
Other operating revenue	106,289	6,995	113,284
Gain on sale of assets	4,397,126	-	4,397,126
Net assets released from restrictions	1,622,423	(1,622,423)	-
Total revenues, support, and reclassifications	11,586,811	(848,944)	10,737,867
EXPENSES			
Program services	6,833,201	-	6,833,201
Management and general	896,133	-	896,133
Total expenses	7,729,334	-	7,729,334
INTERCOMPANY TRANSFER TO (FROM) AFFILIATE	599,500	(599,500)	-
CHANGE IN NET ASSETS	4,456,977	(1,448,444)	3,008,533
NET ASSETS, BEGINNING OF YEAR	15,736,016	2,313,312	18,049,328
NET ASSETS, END OF YEAR	\$ 20,192,993	\$ 864,868	\$ 21,057,861

See accompanying notes and independent auditor's report.

King of Kings Lutheran Church and Affiliates
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023

	Program Services Consolidated	Management and General Consolidated	Total Expense
Wages and salaries	\$ 3,322,410	\$ 287,792	\$ 3,610,202
Payroll taxes	206,733	22,708	229,441
Employee benefits	536,738	104,895	641,633
Training & education	68,571	23,650	92,221
Ministry food & supplies	275,428	-	275,428
Ministry technology services & fees	101,435	-	101,435
Volunteer Development	58,131	1,123	59,254
Honorariums, consulting, recognition	93,366	-	93,366
Scholarships	27,200	-	27,200
Benevolence	55,357	-	55,357
Event fees	137,689	-	137,689
Promotions	58,768	-	58,768
Office supplies & paper	-	19,882	19,882
Missions	1,039,115	-	1,039,115
Postage & shipping	511	13,047	13,558
Telephone & fax	6	19,513	19,519
IT support	-	51,337	51,337
Bank & transaction processing fees	36,040	21,108	57,148
Professional fees	50	42,178	42,228
Equipment purchases, rental & maintenance	122,018	22,417	144,435
Building repair & maintenance	68,323	3,156	71,479
Building cleaning & janitorial	117,759	15,603	133,362
Building heating & cooling	40,760	5,401	46,161
Building security & fire	31,963	4,235	36,198
Utilities	230,984	30,606	261,590
Property taxes	-	78,034	78,034
Property & liability insurance	-	88,561	88,561
Grounds maintenance	103,540	13,719	117,259
Vehicle repair & maintenance	1,916	254	2,170
Depreciation expense	552,493	74,561	627,054
Lease expense	13,939	-	13,939
	<u>7,301,243</u>	<u>943,780</u>	<u>8,245,023</u>
Total expenses	<u>\$ 7,301,243</u>	<u>\$ 943,780</u>	<u>\$ 8,245,023</u>

See accompanying notes and independent auditor's report.

King of Kings Lutheran Church and Affiliates
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2022

	Program Services Consolidated	Management and General Consolidated	Total Expense
Wages and salaries	\$ 3,095,413	\$ 260,233	\$ 3,355,646
Payroll taxes	175,829	20,794	196,623
Employee benefits	433,860	137,749	571,609
Training & education	110,631	5,666	116,297
Ministry food & supplies	203,906	-	203,906
Ministry technology services & fees	54,887	256	55,143
Honorariums, consulting, recognition	186,938	1,123	188,061
Scholarships	41,650	-	41,650
Benevolence	48,420	-	48,420
Event fees	147,485	-	147,485
Promotions	102,524	-	102,524
Office supplies & paper	303	6,382	6,685
Missions	820,917	-	820,917
Postage & shipping	475	7,004	7,479
Telephone & fax	-	19,172	19,172
IT support	-	48,872	48,872
Bank & transaction processing fees	25,868	26,929	52,797
Professional fees	262,093	37,411	299,504
Equipment purchases, rental & maintenance	193,602	97,531	291,133
Building repair & maintenance	-	-	-
Building cleaning & janitorial	78,662	10,423	89,085
Building heating & cooling	43,032	5,702	48,734
Building security & fire	37,554	4,976	42,530
Utilities	221,260	29,318	250,578
Property taxes	-	74,122	74,122
Property & liability insurance	-	73,976	73,976
Grounds maintenance	95,789	12,692	108,481
Vehicle repair & maintenance	4,783	634	5,417
Depreciation expense	447,320	15,168	462,488
Total expenses	<u>\$ 6,833,201</u>	<u>\$ 896,133</u>	<u>\$ 7,729,334</u>

See accompanying notes and independent auditor's report.

King of Kings Lutheran Church and Affiliates
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Change in net assets	\$ (1,215,290)	\$ 3,008,533
Adjustments to reconcile change in net assets to		
Net cash from/ (used in) operating activities		
Depreciation and amortization	627,054	462,488
Change in accounts receivable	(1,273)	(2,363)
Change in inventories	(8,195)	(5,295)
Change in prepaid expenses	(7,225)	4,780
Change in accounts payable	(17,225)	(173,108)
Change in salaries, vacation, and benefits payable	25,247	56,645
Change in deferred revenue	(324)	(18,214)
Change in right of use asset	(52,015)	13,696
Change in lease liability	53,090	(13,696)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	(596,156)	3,333,466
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Sale/(Purchase) of property and equipment	(2,275,170)	637,022
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(2,275,170)	637,022
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(2,871,326)	3,970,488
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	16,151,824	12,181,336
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	<u>\$ 13,280,498</u>	<u>\$ 16,151,824</u>
RECONCILIATION OF CASH TO		
STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 10,362,095	\$ 15,190,508
Cash restricted by donor	598,169	865,877
Cash designated by board	2,320,234	95,439
Total cash	<u>\$ 13,280,498</u>	<u>\$ 16,151,824</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING		
AND FINANCING ACTIVITIES		
Right-of-use asset obtained in exchange for operating lease liability	\$ 64,975	\$ -

See accompanying notes and independent auditor's report.

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of King of Kings Lutheran Church and Affiliates (together the "Church"). These policies are in accordance with accounting principles generally accepted in the United States of America.

1. Organization

The King of Kings Lutheran Church of Omaha, Nebraska, is a Nebraska non-profit corporation incorporated on December 19, 1962, and operates under the denomination of the Lutheran Church - Missouri Synod. In addition, King of Kings Lutheran Church is the Supported Organization of the following supporting: Glory Enterprises, Inc. (GEI), Royal Land, Inc. (RLI) and King of Kings Lutheran Church Foundation (Foundation). These corporations operate exclusively for the benefit of, to perform the charitable functions of, or to carry out the charitable purposes of King of Kings Lutheran Church. The accompanying consolidated financial statements include the accounts of all four organizations. All significant intercompany transactions have been eliminated in the consolidation.

GEI was established to operate a Christian publication company to develop and publish curricula for the education of Christian youth, and to own and operate one or more Christian bookstores.

RLI was established to acquire, own, lease, sell, renovate, improve, trade, and operate real and personal property, including but not limited to the campus and sanctuary of the Church as well as land for expansion or replacement of the campus.

The Foundation was established to receive and maintain a fund or funds of real or personal property, or both, to further the ministry of the Church.

The Core Center, LLC was established to provide Christian counseling services to KOK congregation and the Omaha community.

The officers of the corporation as of December 31, 2023, are as follows:

Mr. Dave Reddel	President
Ms. Kayla Marty	Vice President
Mr. Brad Rohlfen	Treasurer

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

1. Organization – Continued

The Church's purpose is to transform lives, knowing there is no greater calling than to be part of what God is doing in this world. King of Kings exists to join God on His mission of transforming hearts and lives, through connection to God, connection to each other, and connection to the world. King of Kings has the following core values: reliant, courageous, authentic, and generous. These values support the purpose and shape the culture of King of Kings.

The Church provides ministry services that include mid-week and weekend worship opportunities, missions, and outreach programs, educational classes, children's and students' worship activities, preschool and childcare programs, pastoral care, and a library.

2. Basis of Accounting

The Church maintains its accounting records and prepares its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

3. Financial Statement Presentation

The Church is required to report information regarding its financial position and activities according to two classes of net assets:

- a. Net assets without donor restrictions are assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Church. These net assets may be used at the discretion of the Church's management and the board of directors. A board-designated endowment, which results from an internal designation, is generally not donor-restricted and is classified as net assets without donor restrictions. The governing board has the right to decide at any time to expend such funds.
- b. Net assets with donor restrictions are assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Church or by the passage of time. Some donor-imposed restrictions impose limits that are permanent.

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure on contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Church considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash or cash equivalents for purposes of the statement of cash flows.

Cash and cash equivalents are measured at amortized cost, thus included in the scope of ASC 326, however, management has not historically experienced any losses on such accounts, and is not aware of current events or scenarios that would lead management to believe an expected credit loss is likely, and also does not have any information that would provide for a reasonable or supportable forecast of expected credit loss and therefore believes these financial assets have a current expected credit loss of zero.

6. Cash Restricted by Donor

These funds have been restricted by donors for specific capital purchases and operating expenses.

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Accounts Receivable

Management reviews receivables regularly to determine any amount that may not be collected based on prior collection history. The estimated rate is then adjusted based upon future forecasted changes in unemployment rates over the next 12 months. The change in projected unemployment rate for 2024 is not considered material. Management considers all receivables as of December 31, 2023, to be 100% collectible; therefore, no allowance has been recorded. All receivables are due within one year and accrue no interest.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with our accounting policy election. There were no write offs for the year ended December 31, 2023.

8. Assets Limited as to Use

Assets limited as to use are recorded based on resolutions approved by the Board of Lay Ministry for designated purposes and reduced by expenditures for these purposes.

9. Property and Equipment

The Church maintains a capitalization policy of \$2,500. Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the following estimated useful lives of assets:

Land improvements	20 years
Furniture and equipment	3-10 years
Buildings	40 years
Building improvements	10 years

When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any resulting gain or loss on disposition is reflected in operations.

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Property and Equipment - Continued

Repairs and maintenance are expensed as incurred; expenditures for additions, improvements and replacements are capitalized.

All of the Church's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected future cash flows is less than the carrying amount of the asset, a loss is recognized.

10. Other Assets, Net

Other assets at December 31, 2023 include copyrights and trademarks relating to publishing activities. In accordance with Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and other Intangible Assets, these assets are not amortized but are assessed for impairment at least annually.

11. Deferred Revenue

Deferred revenue is recorded when payments for services are billed or received before they are earned.

12. Revenue Recognition

All contributions are considered available for the Church's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as revenues with donor restrictions and increase the respective class of net assets. Contributions received with donor restrictions that are met in the same reporting period are reported as revenues without donor restrictions and increase the respective class of net assets.

Investment income that is limited to specific uses by donor restrictions is reported as increases in revenues without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Revenue Recognition - Continued

Contract revenue related to tuition income is recognized monthly based on enrolled students; adjustments are made during the month for drop-in students. Families must give a 30-day notice to withdraw their child from the early childhood program to avoid charges for future months. Contract revenue related to warehouse rental income is recognized monthly according to the terms of the lease agreement.

13. Donor Restricted Gifts

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. The gifts are reported as net asset with donor restriction if received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported as an increase in net assets without donor restrictions.

Gifts of cash that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the acquired long-lived assets are placed into service.

14. Contributed Nonfinancial Assets

In addition to receiving cash contributions, the Church occasionally receives in-kind contributions from various donors. It is the policy of the Church to record the estimated fair market value of certain in-kind donations as an asset or expense in its financial statements, and similarly increase donations by a like amount. A substantial number of volunteers have donated significant amounts of time to the Church's programs and supporting services.

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. In-kind Contributions – Continued

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the year ended December 31, 2023 and 2022, no substantial contributions of services or materials occurred, therefore, there were no amounts recorded for contributed services and materials.

15. Advertising

The Church expenses its advertising costs as incurred the first time the advertising takes place. Advertising expense was \$58,768 and \$102,525 in 2023 and 2022, respectively.

16. Income Taxes

King of Kings Lutheran Church, GEI, RLI and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 502(a) of the code.

17. Newly Adopted Accounting Standards

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. During the years ended December 31, 2023 and 2022 no financial assets, material to the financial statements, were held by the Church that are subject to the guidance in FASB ASC 326. All receivable balances are immaterial and considered fully collectible.

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE B. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2023 and 2022 is as follows:

	2023	2022
Land and land improvements	\$ 1,425,000	\$ 1,425,000
Furniture and equipment	3,542,776	2,401,139
Building and improvements	11,748,674	10,615,142
Less accumulated depreciation	(9,758,210)	(9,131,155)
Property and equipment, net	<u>\$ 6,958,240</u>	<u>\$ 5,310,126</u>

Depreciation expense of \$627,054 in 2023 and \$462,488 in 2022 is included in the consolidated statement of activities and changes in net assets.

NOTE C. OTHER ASSETS, NET

Other assets, net include trademarks and copyrights relating to publishing activities are \$9,009 as of December 31, 2023 and 2022.

NOTE D. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31, 2023 and 2022.

	2023	2022
Restricted for use in 2023	\$ 9,000	\$ 10,600
Scholarships	301,744	267,801
Building improvement	-	129,021
Missions	189,816	301,089
Benevolence	46,213	74,434
Foundation	40	293
Miscellaneous	27,014	81,630
Total	<u>\$ 573,827</u>	<u>\$ 864,868</u>

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE D. NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

Net assets released from restrictions as of December 31, 2023 and 2022 are as follows:

	2023	2022
Restricted for the following year's operations	\$ -	\$ -
Scholarships	27,850	41,650
Building improvement	131,042	716,995
Missions	665,789	622,166
Benevolence	76,365	68,320
Foundation	388	692
Miscellaneous	23,375	172,600
	<u>\$ 924,809</u>	<u>\$ 1,622,423</u>

NOTE E. BOARD DESIGNATED NET ASSETS

During the year, the Board of Lay Ministries internally designated funds from net assets without donor restriction. As of December 31, 2023 and 2022, the internal designations allowed for the following uses:

	2023	2022
Building Repair Reserve	\$ 77,439	\$ 65,439
Equipment Repair Reserve	42,000	30,000
Building Improvements	1,387,059	-
Mutlisite	407,600	-
AV Improvements	406,136	-
	<u>\$ 2,320,234</u>	<u>\$ 95,439</u>

NOTE F. RETIREMENT PLAN

The Church participates in a multi-employer pension plan administered by the Concordia Plan Services Lutheran Church Missouri Synod. This plan covers substantially all full-time ministry personnel and part-time ministry personnel working over 20 hours a week. The Church made contributions of \$190,477 and \$196,928 to this plan for the years ended December 31, 2023 and 2022, respectively.

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE F. RETIREMENT PLAN – CONTINUED

The Church also participates in a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. Under the plan, employees contribute a specified percentage of their salary, or a fixed dollar amount, to the plan. The Church's matching contribution is 50% of each participant's contribution, up to 2% of each employee's salary. The Church's matching contributions in 2023 and 2022 were \$51,530 and \$41,234 respectively.

NOTE G. CONCENTRATION OF CREDIT RISK

The Church is supported by contributions from the public. The Church's market is concentrated in the greater Omaha, Nebraska metropolitan area.

The basic Federal Deposit Insurance Coverage (FDIC) is \$250,000 per depositor. The Church holds certain investments that are protected, up to \$500,000 per institution, by the Securities Investor Protection Corporation (SIPC). The Church, at times, maintains cash and investment deposits in excess of FDIC and SIPC limits. Management believes the risk relating to these deposits is minimal. As of December 31, 2023 there was \$10,067,412 of deposits in excess of FDIC insurance limits.

NOTE H. COMMITMENTS AND CONTINGENCIES

The Church has one five year operating lease for the use of a copier. The lease has a remaining term of 57 months, with a discount rate of 4.29%. As of December 31, 2023, and 2022, net right-of-use assets recorded under operating leases were \$61,193 and \$9,178, respectively. Lease expense for equipment for the years ended December 31, 2023 and 2022, was \$13,939 and \$13,792, respectively.

Amounts obligated under lease arrangements for future fiscal years are as follows:

<u>Year ending December 31</u>	<u>Amount</u>
2024	\$ 14,462
2025	14,462
2026	14,462
2027	14,462
2028	10,845
Total undiscounted cash flows	68,693
Less: present value discount	(6,425)
Total lease liabilities	<u>\$ 62,268</u>

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE I. RENTAL INCOME

The Church is the lessor of certain space under various operating leases. Rental income is recorded monthly as earned. Rental income for the years ended December 31, 2023 and 2022, were \$737,400 and \$681,358, respectively.

The future minimum rentals under these leases are as follows:

Year ending December 31	Amount
2024	\$ 683,132
2025	263,745
Total	<u>\$ 946,877</u>

NOTE J. FUNCTIONAL EXPENSE ALLOCATION

The Church provides ministry and education services. When possible, direct program costs are assigned to the respective ministry program or department. Certain facilities costs have been allocated among the programs and supporting services benefited based on the square footage of the space occupied by the program.

	2023	2022
Program services	\$ 7,301,243	\$ 6,833,201
General and administrative	943,780	896,133
Total expenses	<u>\$ 8,245,023</u>	<u>\$ 7,729,334</u>

NOTE K. AVAILABILITY AND LIQUIDITY

The Church regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the use of its available funds. The Church has various sources of liquidity at its disposal, including cash and cash equivalents. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Church considers all expenditures related to its ongoing activities of program services, as well as, to support those activities to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Church operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

King of Kings Lutheran Church and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2023 and 2022

NOTE K. AVAILABILITY AND LIQUIDITY - CONTINUED

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 are:

Financial assets at yearend:

Cash and cash equivalents	\$ 10,362,095
Cash restricted by donor	598,169
Cash designated by Board	2,320,234
Accounts receivable	<u>13,007</u>
Total financial assets	\$ 13,293,505

Less amounts not available to be used over the next 12 months:

Board designated funds	\$ (2,320,234)
Donor restricted for a specific purpose	<u>(573,827)</u>
	(2,894,061)

Financial assets available to meet general
expenditures over the next 12 months

\$ 10,399,444

NOTE L. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 12, 2024, which is the date the financial statements were issued, and has concluded there were no events or transactions occurring between year end and this date that would require recognition or disclosure in the financial statements other than those already disclosed.

SUPPLEMENTAL INFORMATION

King of Kings Lutheran Church and Affiliates
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS	King of Kings Church	Glory Enterprises, Inc.	Royal Land, Inc.	King of Kings Foundation	The Core Center LLC	Eliminating Entries	Consolidated
CURRENT ASSETS							
Cash and cash equivalents	\$ 13,575	\$ -	\$ 1,103,989	\$ 9,233,259	\$ 11,272	\$ -	\$ 10,362,095
Cash restricted by donor	288,950	25,344	-	283,875	-	-	598,169
Cash designated by board	2,320,234	-	-	-	-	-	2,320,234
Accounts receivable	13,007	-	-	-	-	-	13,007
Inventories	13,490	-	-	-	-	-	13,490
Prepaid expenses	28,773	500	-	-	500	(6,000)	23,773
Total current assets	2,678,029	25,844	1,103,989	9,517,134	11,772	(6,000)	13,330,768
NONCURRENT ASSETS							
Capital assets, net	1,792,618	-	5,165,622	-	-	-	6,958,240
Right of use asset, net	61,193	-	-	-	-	-	61,193
Other assets	-	9,009	-	-	-	-	9,009
Total noncurrent assets	1,853,811	9,009	5,165,622	-	-	-	7,028,442
Total assets	<u>\$ 4,531,840</u>	<u>\$ 34,853</u>	<u>\$ 6,269,611</u>	<u>\$ 9,517,134</u>	<u>\$ 11,772</u>	<u>\$ (6,000)</u>	<u>\$ 20,359,210</u>
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts payable	\$ 157,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,130
Accrued salaries, vacation, and benefits payable	291,115	-	-	-	-	-	291,115
Deferred revenue	1,126	-	-	-	-	-	1,126
Lease liability - current	12,078	-	-	-	-	-	12,078
Total current liabilities	461,449	-	-	-	-	-	461,449
LONG-TERM LIABILITIES							
Lease Liability - long term	50,190	-	-	-	-	-	50,190
Other long-term liabilities	6,000	-	5,000	-	-	(6,000)	5,000
Total liabilities	517,639	-	5,000	-	-	(6,000)	516,639
NET ASSETS							
Net assets without donor restrictions							
Designated by board	2,320,234	-	-	-	-	-	2,320,234
Undesignated	1,438,868	-	6,264,611	9,233,259	11,772	-	16,948,510
Total net assets without donor restrictions	3,759,102	-	6,264,611	9,233,259	11,772	-	19,268,744
Net assets with donor restrictions	255,099	34,853	-	283,875	-	-	573,827
Total net assets	4,014,201	34,853	6,264,611	9,517,134	11,772	-	19,842,571
Total liabilities and net assets	<u>\$ 4,531,840</u>	<u>\$ 34,853</u>	<u>\$ 6,269,611</u>	<u>\$ 9,517,134</u>	<u>\$ 11,772</u>	<u>\$ (6,000)</u>	<u>\$ 20,359,210</u>

See independent auditor's report.

King of Kings Lutheran Church and Affiliates
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS	King of Kings Church	Glory Enterprises, Inc.	Royal Land, Inc.	King of Kings Foundation	The Core Center LLC	Elimination Entries	Consolidated
CURRENT ASSETS							
Cash and cash equivalents	\$ 550,416	\$ -	\$ 5,895,007	\$ 8,736,394	\$ 8,691	\$ -	\$ 15,190,508
Cash restricted by donor	549,456	62,907	-	253,514	-	-	865,877
Cash designated by board	95,439	-	-	-	-	-	95,439
Accounts receivable	11,207	-	-	-	525	-	11,732
Inventories	5,295	-	-	-	-	-	5,295
Prepaid expenses	21,548	500	-	-	500	(6,000)	16,548
Total current assets	1,233,361	63,407	5,895,007	8,989,908	9,716	(6,000)	16,185,399
NONCURRENT ASSETS							
Capital assets, net	879,530	-	4,430,596	-	-	-	5,310,126
Right of use asset, net	9,178	-	-	-	-	-	9,178
Other assets	-	9,009	-	-	-	-	9,009
Total noncurrent assets	888,708	9,009	4,430,596	-	-	-	5,328,313
Total assets	<u>\$ 2,122,069</u>	<u>\$ 72,416</u>	<u>\$ 10,325,603</u>	<u>\$ 8,989,908</u>	<u>\$ 9,716</u>	<u>\$ (6,000)</u>	<u>\$ 21,513,712</u>
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts payable	\$ 174,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,355
Accrued salaries, vacation, and benefits payable	265,868	-	-	-	-	-	265,868
Deferred revenue	1,125	-	-	-	325	-	1,450
Lease liability - current	9,178	-	-	-	-	-	9,178
Total current liabilities	450,526	-	-	-	325	-	450,851
LONG-TERM LIABILITIES							
Lease liability - long-term	-	-	-	-	-	-	-
Other long-term liabilities	6,000	-	5,000	-	-	(6,000)	5,000
Total liabilities	456,526	-	5,000	-	325	(6,000)	455,851
NET ASSETS							
Net assets without donor restrictions							
Designated by board	95,439	-	-	-	-	-	95,439
Undesignated	1,031,164	2	10,320,603	8,736,394	9,391	-	20,097,554
Total net assets without donor restrictions	1,126,603	2	10,320,603	8,736,394	9,391	-	20,192,993
Net assets with donor restrictions	538,940	72,414	-	253,514	-	-	864,868
Total net assets	1,665,543	72,416	10,320,603	8,989,908	9,391	-	21,057,861
Total liabilities and net assets	<u>\$ 2,122,069</u>	<u>\$ 72,416</u>	<u>\$ 10,325,603</u>	<u>\$ 8,989,908</u>	<u>\$ 9,716</u>	<u>\$ (6,000)</u>	<u>\$ 21,513,712</u>

See independent auditor's report.

King of Kings Lutheran Church and Affiliates
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

	King of Kings Lutheran Church			Glory Enterprises, Inc.			RLI	King of Kings Foundation			The Core Center LLC		Eliminating	Consolidated
	Without Donor Restrictions	With Donor Restrictions	Total KOK	Without Donor Restrictions	With Donor Restrictions	Total GEI	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total KOK - Foundation	Without Donor Restrictions	Total The Core	Entries	
REVENUE, SUPPORT, AND RECLASSIFICATION														
Contributions/offerings	\$ 8,059,075	\$ 490,781	\$ 8,549,856	\$ -	\$ 20,167	\$ 20,167	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ (4,467,600)	\$ 4,122,423
Tuition	1,454,276	-	1,454,276	-	-	-	-	-	-	-	-	-	-	1,454,276
Property rental	781,225	-	781,225	-	-	-	6,000	-	-	-	24,575	24,575	(74,400)	737,400
Miscellaneous property income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net investment income/(loss)	7,927	83,069	90,996	-	47	47	62,152	497,493	37,011	534,504	-	-	-	687,699
Program income	2,426	-	2,426	-	2,693	2,693	-	-	-	-	-	-	-	5,119
Merchandise Income	1,003	-	1,003	-	-	-	-	-	-	-	-	-	-	1,003
Other operating revenue	437,013	-	437,013	-	-	-	-	-	-	-	-	-	(415,200)	21,813
Net assets released from restrictions	857,691	(857,691)	-	60,468	(60,468)	-	-	6,650	(6,650)	-	-	-	-	-
Total revenue, support, and reclassification	11,600,636	(283,841)	11,316,795	60,468	(37,561)	22,907	68,152	504,143	30,361	534,504	44,575	44,575	(4,957,200)	7,029,733
EXPENSES														
Program services	6,937,494	-	6,937,494	56,870	-	56,870	5,198,285	6,000	-	6,000	38,594	38,594	(4,949,939)	7,287,304
Management and general	898,388	-	898,388	3,600	-	3,600	59,392	-	-	-	3,600	3,600	(21,200)	943,780
Total expenses	7,835,882	-	7,835,882	60,470	-	60,470	5,257,677	6,000	-	6,000	42,194	42,194	(4,971,139)	8,231,084
CHANGE IN NET ASSETS	3,764,754	(283,841)	3,480,913	(2)	(37,561)	(37,563)	(5,189,525)	498,143	30,361	528,504	2,381	2,381	13,939	(1,201,351)
INTERCOMPANY TRANSFER TO (FROM) AFFILIATE	(1,132,255)	-	(1,132,255)	-	-	-	1,133,533	(1,278)	-	(1,278)	-	-	-	-
CHANGE IN NET ASSETS	2,632,499	(283,841)	2,348,658	(2)	(37,561)	(37,563)	(4,055,992)	496,865	30,361	527,226	2,381	2,381	13,939	(1,201,351)
NET ASSETS, BEGINNING OF YEAR	1,126,603	538,940	1,665,543	2	72,414	72,416	10,320,603	8,736,394	253,514	8,989,908	9,391	9,391	-	21,057,861
NET ASSETS, END OF YEAR	<u>\$ 3,759,102</u>	<u>\$ 255,099</u>	<u>\$ 4,014,201</u>	<u>\$ -</u>	<u>\$ 34,853</u>	<u>\$ 34,853</u>	<u>\$ 6,264,611</u>	<u>\$ 9,233,259</u>	<u>\$ 283,875</u>	<u>\$ 9,517,134</u>	<u>\$ 11,772</u>	<u>\$ 11,772</u>	<u>\$ 13,939</u>	<u>\$ 19,856,510</u>

See independent auditor's report.

King of Kings Lutheran Church and Affiliates
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

	King of Kings Lutheran Church			Glory Enterprises, Inc.			RLI	King of Kings Foundation			The Core Center LLC			
	Without Donor Restrictions	With Donor Restrictions	Total KOK	Without Donor Restrictions	With Donor Restrictions	Total GEI	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total KOK - Foundation	Without Donor Restrictions	Total The Core	Elimination Entries	Consolidated
REVENUE, SUPPORT, AND RECLASSIFICATION														
Contributions/offerings	\$ 3,574,176	\$ 753,966	\$ 4,328,142	\$ -	\$ 20,587	\$ 20,587	\$ -	\$ 11,236	\$ -	\$ 11,236	\$ 25,100	\$ 25,100	\$ (21,282)	\$ 4,363,783
Tuition	1,293,703	-	1,293,703	-	-	-	-	-	-	-	-	-	-	1,293,703
Property rental	671,758	-	671,758	-	-	-	6,000	-	-	-	18,000	18,000	(14,400)	681,358
Miscellaneous property income	4,650	-	4,650	-	-	-	-	-	-	-	-	-	-	4,650
Net investment income/(loss)	7,183	8,079	15,262	29	-	29	426	(147,620)	(30,112)	(177,732)	-	-	-	(162,015)
Conferences/events	29,776	13,964	43,740	-	-	-	-	-	-	-	-	-	-	43,740
Publishing sales	-	-	-	2,238	-	2,238	-	-	-	-	-	-	-	2,238
Other operating revenue	126,489	6,995	133,484	-	-	-	-	-	-	-	-	-	(20,200)	113,284
Gain on sale of assets	-	-	-	-	-	-	4,397,126	-	-	-	-	-	-	4,397,126
Net assets released from restrictions	1,576,219	(1,576,219)	-	43,204	(43,204)	-	-	3,000	(3,000)	-	-	-	-	-
Total revenue, support, and reclassification	7,283,954	(793,215)	6,490,739	45,471	(22,617)	22,854	4,403,552	(133,384)	(33,112)	(166,496)	43,100	43,100	(55,882)	10,737,867
EXPENSES														
Program Services	6,187,286	-	6,187,286	54,979	-	54,979	603,210	3,001	-	3,001	40,607	40,607	(55,882)	6,833,201
Management and General	896,133	-	896,133	-	-	-	-	-	-	-	-	-	-	896,133
Total expenses	7,083,419	-	7,083,419	54,979	-	54,979	603,210	3,001	-	3,001	40,607	40,607	(55,882)	7,729,334
CHANGE IN NET ASSETS	200,535	(793,215)	(592,680)	(9,508)	(22,617)	(32,125)	3,800,342	(136,385)	(33,112)	(169,497)	2,493	2,493	-	3,008,533
INTERCOMPANY TRANSFER TO (FROM) AFFILIATE	55,737	(599,500)	(543,763)	-	-	-	543,763	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	256,272	(1,392,715)	(1,136,443)	(9,508)	(22,617)	(32,125)	4,344,105	(136,385)	(33,112)	(169,497)	2,493	2,493	-	3,008,533
NET ASSETS, BEGINNING OF YEAR	870,331	1,931,655	2,801,986	9,510	95,031	104,541	5,976,498	8,872,779	286,626	9,159,405	6,898	6,898	-	18,049,328
NET ASSETS, END OF YEAR	\$ 1,126,603	\$ 538,940	\$ 1,665,543	\$ 2	\$ 72,414	\$ 72,416	\$ 10,320,603	\$ 8,736,394	\$ 253,514	\$ 8,989,908	\$ 9,391	\$ 9,391	\$ -	\$ 21,057,861

See independent auditor's report.

King of Kings Lutheran Church and Affiliates
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSE
For the year ended December 31, 2023

	King of Kings Lutheran Church			Consolidating Entities							
	Program Services	Management and General	Total	Program Services	Management and General	Total	Elimination Entries	Program Services Consolidated	Management and General Consolidated	Total Expense	
Wages and salaries	\$ 3,261,755	\$ 287,792	\$ 3,549,547	\$ 60,655	\$ -	\$ 60,655	\$ -	\$ 3,322,410	\$ 287,792	\$ 3,610,202	
Payroll taxes	206,407	22,708	229,115	326	-	326	-	206,733	22,708	229,441	
Employee benefits	536,738	104,895	641,633	-	-	-	-	536,738	104,895	641,633	
Training & education	68,571	23,650	92,221	-	-	-	-	68,571	23,650	92,221	
Ministry food & supplies	267,971	-	267,971	7,457	-	7,457	-	275,428	-	275,428	
Ministry technology services & fees	101,435	-	101,435	-	-	-	-	101,435	-	101,435	
Volunteer Development	58,131	1,123	59,254	-	-	-	-	58,131	1,123	59,254	
Honorariums, consulting, recognition	78,465	-	78,465	14,901	-	14,901	-	93,366	-	93,366	
Scholarships	21,200	-	21,200	6,000	-	6,000	-	27,200	-	27,200	
Benevolence	55,357	-	55,357	-	-	-	-	55,357	-	55,357	
Event fees	137,689	-	137,689	-	-	-	-	137,689	-	137,689	
Promotions	58,768	-	58,768	-	-	-	-	58,768	-	58,768	
Office supplies & paper	-	19,882	19,882	-	-	-	-	-	19,882	19,882	
Missions	1,055,901	-	1,055,901	4,850,814	-	4,850,814	(4,867,600)	1,039,115	-	1,039,115	
Postage & shipping	-	13,047	13,047	511	-	511	-	511	13,047	13,558	
Telephone & fax	6	19,513	19,519	-	-	-	-	6	19,513	19,519	
IT support	-	51,337	51,337	-	-	-	-	-	51,337	51,337	
Bank & transaction processing fees	36,040	21,108	57,148	-	-	-	-	36,040	21,108	57,148	
Professional fees	50	38,607	38,657	-	18,771	18,771	(15,200)	50	42,178	42,228	
Recruiting & moving	-	-	-	-	-	-	-	-	-	-	
Equipment purchases, rental & maintenance	122,018	22,417	144,435	-	-	-	-	122,018	22,417	144,435	
Building repair & maintenance	68,323	3,156	71,479	-	-	-	-	68,323	3,156	71,479	
Building cleaning & janitorial	117,759	15,603	133,362	-	-	-	-	117,759	15,603	133,362	
Building heating & cooling	40,760	5,401	46,161	-	-	-	-	40,760	5,401	46,161	
Building security & fire	31,963	4,235	36,198	-	-	-	-	31,963	4,235	36,198	
Utilities	230,984	30,606	261,590	-	-	-	-	230,984	30,606	261,590	
Property taxes	-	78,034	78,034	-	-	-	-	-	78,034	78,034	
Property & liability insurance	-	88,561	88,561	-	-	-	-	-	88,561	88,561	
Grounds maintenance	103,540	13,719	117,259	-	-	-	-	103,540	13,719	117,259	
Vehicle repair & maintenance	1,916	254	2,170	-	-	-	-	1,916	254	2,170	
Depreciation expense	201,808	26,740	228,548	350,685	47,821	398,506	-	552,493	74,561	627,054	
Lease expense	73,939	6,000	79,939	8,400	-	8,400	(74,400)	13,939	-	13,939	
Total expenses	\$ 6,937,494	\$ 898,388	\$ 7,835,882	\$ 5,299,749	\$ 66,592	\$ 5,366,341	\$ (4,957,200)	\$ 7,301,243	\$ 943,780	\$ 8,245,023	

See independent auditor's report.