

***THE CENTRAL PACIFIC DISTRICT OF THE
CHRISTIAN AND MISSIONARY ALLIANCE***

Financial Statements
Years Ended June 30, 2024 and 2023

THE CENTRAL PACIFIC DISTRICT OF THE CHRISTIAN AND MISSIONARY ALLIANCE

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Independent Accountant's Review Report

To the Board of Directors
The Central Pacific District of the Christian and Missionary Alliance
Woodland, California

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

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

We are required to be independent of The Central Pacific District of the Christian and Missionary Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

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

To the Board of Directors
The Central Pacific District of the Christian and Missionary Alliance
Woodland, California

Prior Period Financial Statements

The 2023 financial statements were audited by our firm and we expressed an unmodified opinion on them in our report dated November 14, 2023, but we have not performed any audited procedures since that date.

Perry, Bunch & Johnston, Inc.

Woodland, California
October 31, 2024

THE CENTRAL PACIFIC DISTRICT OF THE CHRISTIAN AND MISSIONARY ALLIANCE

STATEMENTS OF FINANCIAL POSITION

June 30,	Reviewed 2024	Audited 2023
ASSETS		
CURRENT ASSETS:		
Cash	\$ 295,427	\$ 790,321
Investments	2,008,531	1,296,862
Accounts receivable	75,455	71,405
Prepaid expenses	-	15,313
Note receivable, Current	1,225	4,900
Total Current Assets	2,380,638	2,178,801
PROPERTY AND EQUIPMENT - NET	145,049	143,094
OTHER ASSETS:		
Note receivable - Non-current	-	3,266
Investment properties - net	7,725,922	7,793,189
Total Other Assets	7,725,922	7,796,455
Total Assets	\$ 10,251,609	\$ 10,118,350
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accruals	\$ 31,836	\$ 78,713
Total Current Liabilities	31,836	78,713
NET ASSETS:		
Net assets without donor restrictions:		
Board designated	1,205,120	1,262,720
Undesignated	8,942,274	8,725,987
Net assets with donor restrictions	72,379	50,930
Total Net Assets	10,219,773	10,039,637
Total Liabilities and Net Assets	\$ 10,251,609	\$ 10,118,350

THE CENTRAL PACIFIC DISTRICT OF THE CHRISTIAN AND MISSIONARY ALLIANCE

STATEMENTS OF ACTIVITIES

Years Ended June 30,	Reviewed 2024	Audited 2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Support and revenue:		
District partnership fund	\$ 1,049,352	\$ 1,095,639
In-kind contributions	100,155	94,172
Investment income/(loss)	69,498	26,086
Other income	22,941	5,314
Rental income	115,000	23,771
Settlement income	-	7,898,630
Net assets released from restrictions:		
Missions	45,733	23,933
Total Support, Revenue and Gains Without Donor Restrictions	1,402,679	9,167,545
Expenses:		
Program services:		
Camps and conferences	74,099	59,877
Missions	10,462	16,995
Church health, planting and initiatives	315,167	242,153
Total Program Services Expenses	399,728	319,025
Support services:		
Management and general	844,264	654,898
Total Support Services Expenses	844,264	654,898
Change in Net Assets Without Donor Restrictions	158,687	8,193,622
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Revenue to missions	67,182	51,891
Net assets released from restrictions for missions	(45,733)	(23,933)
Change in Net Assets With Donor Restrictions	21,449	27,958
Increase in Total Net Assets	180,136	8,221,580
Net Assets, Beginning of Year	10,039,637	1,818,057
Net Assets, End of Year	\$ 10,219,773	\$ 10,039,637

THE CENTRAL PACIFIC DISTRICT OF THE CHRISTIAN AND MISSIONARY ALLIANCE

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2024 and 2023

	PROGRAM SERVICES				SUPPORT SERVICES	Total	
	Camps and Conferences	Missions	Church Health, Planting and Initiatives	Total Program Services	Total Management and General	Reviewed 2024	Audited 2023
Assistant to the DS	\$ -	\$ -	\$ -	\$ -	\$ 61,942	\$ 61,942	\$ 59,345
Church assessments	-	-	678	678	-	678	3,525
Church planting	-	-	119,133	119,133	41,376	160,509	127,284
Committees and conferences	42,921	-	-	42,921	-	42,921	39,196
Company contributions - Retirement	-	-	-	-	15,124	15,124	11,827
Depreciation expense	-	-	-	-	113,558	113,558	26,743
District support/DS	-	7,332	84,038	91,370	101,151	192,521	209,076
Health insurance - Office	-	-	-	-	8,764	8,764	5,317
Hispanic ministries director	31,178	-	11,522	42,700	56,236	98,936	92,277
Leadership development - LOCC	-	-	21,412	21,412	90,784	112,196	70,872
Missions	-	3,130	-	3,130	-	3,130	19,513
Missions director	-	-	-	-	24,127	24,127	39,417
Operations	-	-	-	-	201,430	201,430	215,812
Other	-	-	-	-	-	-	5,407
Other church support	-	-	78,253	78,253	36,733	114,986	16,505
Personnel expenses	-	-	-	-	6,463	6,463	10,500
Property	-	-	-	-	86,576	86,576	8,188
Regional coordinator director	-	-	131	131	-	131	519
Special Events	-	-	-	-	-	-	12,600
Total Expenses	\$ 74,099	\$ 10,462	\$ 315,167	\$ 399,728	\$ 844,264	\$ 1,243,992	\$ 973,923

THE CENTRAL PACIFIC DISTRICT OF THE CHRISTIAN AND MISSIONARY ALLIANCE

STATEMENTS OF CASH FLOWS

Years Ended June 30,	Reviewed 2024	Audited 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	\$ 180,136	\$ 8,221,580
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	113,558	26,743
Reversion of property	-	(7,650,000)
Unrealized (gains)/losses on investments	(7,027)	(27,107)
In-kind donation	(19,000)	-
Decrease (increase) in operating assets:		
Accounts receivable	(4,050)	(30,520)
Prepaid expenses	15,313	(15,313)
Increase (decrease) in operating liabilities:		
Accounts payable and accruals	(46,877)	30,981
Net Cash Provided by Operating Activities	232,053	556,364
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment and improvements	(29,246)	
Note receivable issued	-	(9,800)
Note receivable collections	6,941	1,633
Net change in investments	(704,642)	7,624
Net Cash Provided by (Used in) Investing Activities	(726,947)	(543)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Cash Provided by (Used in) Financing Activities	-	-
Net increase in cash	(494,894)	555,821
Cash, Beginning of Year	790,321	234,500
Cash, End of Year	\$ 295,427	\$ 790,321
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Interest paid	\$ -	\$ -

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF ACTIVITIES:

The Central Pacific District of the Christian and Missionary Alliance ("Organization") is a not-for-profit religious organization. The Organization is a district of The Christian and Missionary Alliance, whose principal office is located in Reynoldsburg, Ohio. The Organization is subject to the purposes, usages, doctrines, and teachings of The Christian and Missionary Alliance. The Central Pacific District of the Christian and Missionary Alliance is comprised of Northern California, Nevada, Utah, Hawaii, and Guam. Most of the Organization's income is from donations from member churches.

BASIS OF PRESENTATION:

The Organization prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid at that time. Any unearned amount is recorded as deferred revenue.

CASH:

Cash include checking and savings accounts with maturities of less than ninety days. From time to time these accounts may exceed federally insured limits; however, the Organization has not experienced any losses on these accounts.

INVESTMENTS:

Investments are carried at fair value based upon quoted market prices or net asset value (NAV). Investments primarily consist of investment in mutual funds that are managed by Orchard Alliance, an affiliated entity. Investment income is recorded on the accrual basis of accounting and investment transactions are recorded on trade date. Investment income/loss including realized and unrealized gains and losses on investments are recognized as income or loss in the Statement of Activities.

PROPERTY AND EQUIPMENT:

All acquisitions of property and equipment in excess of \$3,500 and all expenditures for repairs, maintenance, or improvements that significantly prolong the useful lives of the assets are capitalized. Purchases of property and equipment are carried at cost. Donations of property and equipment are recorded as support at fair value at date of gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over the estimated useful life of assets. The class lives of the more significant items within each property classification are as follows:

<u>Description</u>	<u>Estimated Useful Life</u>
Building and improvements	40 years
Furniture and fixtures	7 years
Equipment	7 years
Vehicle	5 years

CONTRIBUTIONS:

Generally accepted accounting principles require that the Organization report information about its financial position and activities in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Unrestricted contributions are recognized as an increase in net assets without donor restrictions when received. Contributions restricted by the donors are reported as increases in net assets with donor restrictions. When restrictions are satisfied, either by the passage of time or by accomplishing the purpose, the donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets released from restriction.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

CONTRIBUTIONS: (Continued)

In-kind contributions and donations are recorded as support at their estimated fair market values. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

INVESTMENT PROPERTY:

The Organization received a couple of investment properties from member churches upon their dissolution/termination of membership and they are measured at fair value at the respective transfer dates.

INCOME TAXES:

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Code sections. As such, no provision for income tax is reflected in the financial statements.

USE OF ESTIMATES:

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

NOTE 2 - FIXED ASSETS:

	Reviewed 2024	Audited 2023
Fixed assets consisted of the following:		
Land	\$ 66,407	\$ 66,407
Buildings and improvements	389,602	389,602
Office furniture and equipment	57,847	72,304
Vehicles	30,900	7,100
	<u>544,756</u>	<u>535,413</u>
Less: Accumulated depreciation	(399,707)	(392,319)
Total Fixed Assets - Net	<u>\$ 145,049</u>	<u>\$ 143,094</u>
Investment properties:		
Hawaii	\$ 155,800	\$ 155,800
San Jose	7,679,246	7,650,000
	<u>7,835,046</u>	<u>7,805,800</u>
Less: Accumulated depreciation	(109,124)	(12,611)
Total Investment properties - Net	<u>\$ 7,725,922</u>	<u>\$ 7,793,189</u>

Depreciation expense for the years ended June 30, 2024 and 2023 amounted to \$113,558 and \$26,743, respectively.

NOTE 3 - RETIREMENT PLAN:

The Organization maintains a section 403(b) retirement plan for employees sponsored by The Christian and Missionary Alliance's National Office. The Organization matches 100% of the employee's contributions up to 5% of the regular salary of full-time employees. Total contributions made by the Organization in connection with this plan during the years ended June 30, 2024 and 2023 was \$15,124 and \$11,827, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

NOTE 4 - NOTES RECEIVABLE:

Note receivable consisted of one note from a member church within the Organization's district. The note calls for 24 monthly payments of \$408.33 and does not have an interest rate. The outstanding balance at June 30, 2024 and 2023 was \$1,225 and \$8,160 respectively. The current portion of note receivable at June 30, 2024 was \$1,225. The remaining amount will be paid off during the fiscal year ending June 30, 2025.

NOTE 5 - NATIONAL OFFICE CONTRIBUTIONS:

The national office provides compensation to the Organization's Superintendent and is reflected in the financial statements as an in-kind contribution to the Organization. The Superintendent's salary and related benefits are reflected in the statement of functional expenses for the years ended June 30, 2024 and 2023.

NOTE 6 - NET ASSETS:

NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions result from revenue from providing services and receiving contributions, less expenses incurred in providing services, contributions, and performing administrative functions. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purpose specified in the Organization's articles of incorporation and bylaws. For the year ended June 30, 2024, the Board has designated \$1,000,000 for general reserves and \$205,120 for ministry and future initiatives.

NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions result from the nature of the contributions. Contributions received with donor-imposed restrictions, such as use for specified purposes, are reported as net assets with donor restrictions until the contributions have been used for the specified purposes. Promises to give are also classified as net assets with donor restrictions, until the promises are fulfilled.

Net assets with donor restrictions consist of the following as of June 30, 2024 and 2023:

	Reviewed 2024	Audited 2023
Cuba	\$ 1,553	\$ 571
Laos/Cambodia	5,630	5,630
Other	65,196	44,729
Total	<u>\$ 72,379</u>	<u>\$ 50,930</u>

NOTE 7 - EXPENSES BY BOTH THEIR NATURE AND FUNCTION:

The financial statements report certain categories of expenses that are attributable to more than one program, activity, or function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated are based upon management's best estimates while salaries and benefits are allocated on the basis of time and effort.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

NOTE 7 - EXPENSES BY BOTH THEIR NATURE AND FUNCTION: (Continued)

The Organization supports camps and conferences worldwide. With more than 50 camps in 17 countries, over 200,000 people attended Alliance camps with thousands making life-changing decisions for Christ. Missions are also an important part of the Organization's ministries. From building churches and bible schools to leading evangelistic services, the impact of mission service makes a significant contribution to the cause of Christ. Church health, plants and initiatives focuses on catalyzing a movement of spirit-empowered leaders and churches. Together, we seek to advance international and relational disciple making, comprehensive leadership development, ministry capacity, engagement of key social issues, and leadership diversity.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date.

	Reviewed 2024
Financial assets at year-end	\$ 2,379,413
Less those unavailable for general expenditures within one year, due to:	
Donor-restricted funds	72,379
Board designated reserves	<u>1,205,120</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 1,101,914</u></u>

As part of the Organization's liquidity management, it invests in a savings account and an investment account.

NOTE 9 - FAIR VALUE MEASUREMENTS:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

NOTES TO THE FINANCIAL STATEMENTS**Years Ended June 30, 2024 and 2023****NOTE 9 - FAIR VALUE MEASUREMENTS: (Continued)****Level 2**

Inputs to the valuation methodology include:

- 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 for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets at fair value. There has been no change in the methodology used at June 30, 2024 and 2023.

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 Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The preceding method 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 method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2024:

Assets at Fair Value as of June 30, 2024				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,008,531	\$ -	\$ -	\$ 2,008,531
Total Assets	\$ 2,008,531	\$ -	\$ -	\$ 2,008,531

NOTE 10 - SUBSEQUENT EVENTS:

Management has considered all subsequent events for disclosure in the financial statements through October 31, 2024, which represents the date the financial statements were available to be issued.