

IRVINE PRESBYTERIAN CHURCH INCORPORATED

FINANCIAL STATEMENTS

December 31, 2021
with Comparative Information for 2020

CONTENTS

Independent Auditors' Report.....	1-2
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to the Financial Statements	7-15

INDEPENDENT AUDITORS' REPORT

To the Session of
Irvine Presbyterian Church Incorporated
Irvine, California

Opinion

We have audited the accompanying financial statements of Irvine Presbyterian Church Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Irvine Presbyterian Church Inc. (the Church) as of December 31, 2021, and the changes in its 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 Auditors' 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.

Auditors' 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 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 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.

Report on Summarized Comparative Information

We have previously audited the Church's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Long Beach, California
September 14, 2022

IRVINE PRESBYTERIAN CHURCH INCORPORATED

STATEMENT OF FINANCIAL POSITION

ASSETS

	December 31,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 561,606	\$ 396,288
Investments	76,719	-
Employee Retention Credit receivable	481,009	-
Land, building, and equipment, net	<u>4,058,806</u>	<u>4,275,309</u>
TOTAL ASSETS	<u><u>\$ 5,178,140</u></u>	<u><u>\$ 4,671,597</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 721,427	\$ 178,152
Accrued expenses	219,477	108,350
Agency funds held for others	158,275	156,006
Deferred revenue	67,709	54,527
Notes payable	<u>1,664,897</u>	<u>1,832,505</u>
	<u>2,831,785</u>	<u>2,329,540</u>
NET ASSETS		
Without donor restrictions	2,202,616	2,251,929
With donor restrictions	<u>143,739</u>	<u>90,128</u>
	<u>2,346,355</u>	<u>2,342,057</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,178,140</u></u>	<u><u>\$ 4,671,597</u></u>

See Independent Auditors' Report

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

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
REVENUE AND SUPPORT				
Pledges and contributions	\$ 1,529,214	\$ 434,485	\$ 1,963,699	\$ 2,081,881
Tuition	1,594,585	-	1,594,585	1,062,716
Rental income	811,504	-	811,504	864,948
PPP loan forgiveness	-	-	-	316,122
Employee Retention Credit income	481,009	-	481,009	-
Other income	141,232	-	141,232	82,054
Net assets released from restrictions	380,874	(380,874)	-	-
Total Revenue and Support	4,938,418	53,611	4,992,029	4,407,721
EXPENSES				
Program services	3,385,136	-	3,385,136	2,986,808
General and administrative	451,529	-	451,529	572,934
Facilities	1,151,066	-	1,151,066	1,059,125
Total Expenses	4,987,731	-	4,987,731	4,618,867
CHANGE IN NET ASSETS	(49,313)	53,611	4,298	(211,146)
NET ASSETS AT BEGINNING OF YEAR	2,251,929	90,128	2,342,057	2,553,203
NET ASSETS AT END OF YEAR	\$ 2,202,616	\$ 143,739	\$ 2,346,355	\$ 2,342,057

See Independent Auditors' Report

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

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020**

	<u>Program Services</u>					<u>Totals</u>	
	Jenny Hart		Total Program Services	General and Administrative	Facilities	2021	2020
	Early Education Center	Ministry Programs					
PERSONNEL EXPENSES							
Salaries and wages	\$ 904,904	\$ 698,901	\$1,603,805	\$ 275,046	\$ 96,396	\$ 1,975,247	\$ 1,932,002
Payroll taxes	51,951	19,224	71,175	39,220	7,926	118,321	86,957
Health insurance	80,344	93,431	173,775	34,178	5,712	213,665	215,764
Benefits	13,422	57,162	70,584	-	-	70,584	37,975
Total personnel expenses	<u>1,050,621</u>	<u>868,718</u>	<u>1,919,339</u>	<u>348,444</u>	<u>110,034</u>	<u>2,377,817</u>	<u>2,272,698</u>
OPERATIONAL EXPENSES							
Advertising	-	9,312	9,312	-	-	9,312	-
Curriculum	-	-	-	-	-	-	9,441
Depreciation and amortization	16,155	135,426	151,581	2,558	316,229	470,368	440,724
Equipment	8,823	-	8,823	18,363	952	28,138	15,590
Events	-	22,128	22,128	946	34,551	57,625	35,356
Fees and dues	-	68,334	68,334	16,175	2,313	86,822	115,434
Insurance	-	-	-	-	67,601	67,601	59,249
Interest	-	76,367	76,367	-	-	76,367	89,426
Missions	-	500,469	500,469	-	-	500,469	366,596
Printing and postage	-	7,876	7,876	2,047	29	9,952	16,980
Professional services - Music	-	378,242	378,242	-	-	378,242	331,519
Professional services - Operations	62,016	11,508	73,524	39,682	27,148	140,354	184,266
Repairs and maintenance	-	300	300	73	78,256	78,629	115,296
Rent	-	-	-	-	313,910	313,910	300,600
Scholarships	99	6,176	6,275	1,142	-	7,417	10,663
Service contracts	17,693	70,824	88,517	9,830	22,776	121,123	-
Storage	-	-	-	-	-	-	17,668
Supplies	31,806	37,592	69,398	3,296	78,275	150,969	120,290
Taxes	-	-	-	-	1,600	1,600	-
Travel	-	1,452	1,452	-	-	1,452	2,891
Utilities	-	3,199	3,199	8,973	97,392	109,564	114,180
Total operational expenses	<u>136,592</u>	<u>1,329,205</u>	<u>1,465,797</u>	<u>103,085</u>	<u>1,041,032</u>	<u>2,609,914</u>	<u>2,346,169</u>
	<u>\$ 1,187,213</u>	<u>\$ 2,197,923</u>	<u>\$ 3,385,136</u>	<u>\$ 451,529</u>	<u>\$ 1,151,066</u>	<u>\$ 4,987,731</u>	<u>\$ 4,618,867</u>

See Independent Auditors' Report

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

IRVINE PRESBYTERIAN CHURCH INCORPORATED

STATEMENT OF CASH FLOWS

	For the Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,298	\$ (211,146)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization expense	470,368	440,724
Paycheck Protection Program loan forgiveness	-	(316,112)
Employee Retention Credit receivable	(481,009)	-
Changes in operating assets and liabilities:		
Prepaid and other assets	-	16,620
Accounts payable	543,275	78,753
Accrued expenses	111,127	(8,806)
Agency funds held for others	2,269	-
Deferred revenue	13,182	(14,684)
Net Cash Provided By (Used In) Operating Activities	663,510	(14,651)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	(76,719)	-
Purchase of property and equipment	(253,865)	(468,655)
Net Cash Used In Investing Activities	(330,584)	(468,655)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayments on notes payable	(167,608)	(159,615)
Proceeds from Paycheck Protection Program loan	-	316,112
Net Cash Provided By (Used In) Financing Activities	(167,608)	156,497
NET CHANGE IN CASH AND CASH EQUIVALENTS	165,318	(326,809)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	396,288	723,097
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 561,606	\$ 396,288
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest expense	\$ 76,366	\$ 89,426

See Independent Auditors' Report

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

IRVINE PRESBYTERIAN CHURCH INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 1 – Nature of Organization

Irvine Presbyterian Church Incorporated (the Church), an affiliate of the Presbyterian Church (USA) located in Irvine, California, is a non-profit corporation organized in California. The Church does business with the public as Shepherd's Grove Presbyterian Church. The Church also operates a preschool and kindergarten under the name Jenny Hart Early Education Center (the JHEEC).

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Church have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The following significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Recently Issued Accounting Standard

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Church's fiscal years beginning after December 15, 2021 (fiscal year ending December 31, 2022 for the Church), with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

Financial Statement Presentation

The Church reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions.

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may be temporary in nature to be met by the actions of the Church or the passage of time; or perpetual in nature, where the donor stipulates that the corpus be maintained intact in perpetuity. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Prior-Period Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Church's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Contributions

All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor's stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

Contributions, including endowment gifts and pledges, are recognized as support in the period received or pledged. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Contributions are included in donations and collections in the accompanying statement of activities.

Contributed Services

A substantial number of volunteers make significant contributions of their time in the furtherance of the Church's purpose. The value of this contributed time is not reflected in the accompanying financial statements, as it does not meet the recognition criteria under generally accepted accounting principles for contributed services.

Tuition Revenue

Student tuition and fees are recorded as revenue during the year the related academic services are rendered. Student tuition and fees received in advance of services to be rendered are recorded as deferred revenue.

Cash and Cash Equivalents

Cash consists of cash on hand, in banks, and in money market accounts. The Church considers all highly liquid investments with maturities of 90 days or less to be cash equivalents. The Church maintains its cash accounts at various financial institutions.

The Church maintains its cash in financial institutions which, at times, may exceed federally insured limits. Historically, the Church has not experienced any losses in such accounts.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized gains and losses are computed as the difference between historical cost and sales proceeds. Unrealized gains and losses are the change in the spread between historical cost and fair value during the year. Unrealized gains and losses are included in the change in net assets.

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Land, Building, and Equipment

Land, building, and equipment are stated at cost, with the exception of donated equipment, which is recorded at fair market value on the date received. Depreciation has been provided using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Building improvements are amortized over the remaining term of the building lease where the improvements are made. Expenditures for repairs and maintenance are expensed as incurred. Amortization of equipment under the capital lease is computed based on the shorter of the lease terms or the life of the asset and is included in depreciation expense.

Impairment of Long-Lived Assets

The Church's long-lived assets include land, building, and equipment. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flows from the use of the asset and its eventual disposition are less than the carrying amount of the asset, an impairment loss is recognized and measured using the fair value of the related asset. As of December 31, 2021, management did not identify any material impairment of the Church's long-lived assets.

Allocation of Expenses

Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses which apply to more than one functional category have been allocated based on estimates made by management based on time and effort.

Income Tax Status

The Church is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

The Church recognizes the financial statement benefit of tax positions, such as its position of being tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Church is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and state purposes is generally three and four years, respectively.

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Subsequent Events

In preparing these financial statements, the Church’s management has evaluated subsequent events and transactions for potential recognition or disclosure through September 14, 2022, the date the financial statements were available to be issued.

NOTE 3 – Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets:		
Cash and cash equivalents	\$	561,606
Investments		76,719
Employee Retention Credit receivable		481,009
Less amounts unavailable for general expenditure within one year due to:		
Agency funds held for others		(158,275)
Restricted by donor for purpose		<u>(143,739)</u>
	\$	<u>817,320</u>

The Church maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 – Land, Building, and Equipment

Land, building, and equipment consists of the following at December 31, 2021:

Land	\$ 178,000
Furniture and equipment	1,857,586
Buildings and fixtures	9,879,285
Projects in process	<u>92,765</u>
	12,007,636
Accumulated depreciation	<u>(7,948,830)</u>
	<u>\$ 4,058,806</u>

Depreciation expense was \$470,368 for the year ended December 31, 2021.

NOTE 5 – Notes Payable

The Church entered into a \$2,000,000 term loan agreement, dated October 31, 2012, with Farmers & Merchants Bank (the Bank). The loan is payable in 120 monthly principal and interest payments of \$12,181, bears interest at 4.0%, is secured by a deed of trust, and matures on November 1, 2022.

The Church also entered into a term loan for \$585,000 on March 7, 2019, with the Bank. The loan is payable in 43 monthly principal and interest payments of \$8,390, bears interest at 5.25%, is secured by the property in Orange County, California, and matures on November 1, 2022.

The loan agreements contain certain covenants and conditions. As of December 31, 2021, the Church was in compliance with the covenants and conditions.

As of December 31, 2021, the balance of the above term loans with the Bank totaled \$1,664,897.

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 – Notes Payable (Continued)

In May 2022, the Church entered into a loan agreement with The Presbyterian Church (U.S.A.) Investment & Loan Program, Inc. (the Program) to refinance the above noted term loans with the Bank. The agreement provides for an initial funding of \$1,630,000 to be disbursed upon closing in July 2022 and an additional amount not to exceed \$550,000 for renovations to the Church. The loan is payable in 60 monthly principal and interest payments of \$12,630 and bears interest at 3.488%, at which time the monthly payment and interest rate will be adjusted to the Program's then current base interest rate and matures in July 2042. The agreement is secured by the property in Orange County, California and is guaranteed by Presbytery of Los Ranchos (See Note 9).

NOTE 6 – Employee Retention Credit

The Employee Retention Credit (ERC) was enacted in March 2020 by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and expanded by the Consolidated Appropriations Act (CAA). The ERC is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer paid to employees between March 2020 through December 31, 2021. During the year ended December 31, 2021, the Church recorded \$469,407 of refundable ERC claimed under provisions of the CARES Act which are included in "Other income" in the accompanying statement of activities. At December 31, 2021, ERC receivables totaled \$481,009, inclusive of \$11,602 in accrued interest, consisting of ERC claimed for 2021 and 2020.

NOTE 7 – Retirement Plan

The Church is a member of the Benefits Plan of the Presbyterian Church (USA). Current dues paid by the Church to provide benefits under the Pension Plan are 11% of a member's Pension Participation Basis, which includes the salaries and housing allowances paid to ordained personnel. The Church made total pension fund payments of \$24,720 during the year ended December 31, 2021. All ordained persons who are normally scheduled to work twenty hours or more a week in active service are eligible. Ordained personnel are automatically vested upon enrollment in the plan.

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 – Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2021:

Donor Designation

Building/Remodeling	\$ 3,676
Missions	74,998
Debt financing	19,074
Deacons	16,176
Donations	14,779
Worship programs	12,474
Stained glass memorial	<u>2,562</u>
	<u>\$ 143,739</u>

NOTE 9 – Presbyterian Church (USA)

In accordance with the deed of trust on the real property recorded May 25, 1982, the Church's property will automatically revert to Presbytery of Los Ranchos (PLR) if the property ceases to be used as part of the Presbyterian Church (USA), unless the church negotiates acceptable dismissal terms from the denomination relating to the property.

PLR is a guarantor on the Church's loan agreement with The Presbyterian Church (U.S.A.) Investment & Loan Program, Inc. (See Note 5).

NOTE 10 – Rental Income

The Church leases its Irvine, California property under a sixty-month non-cancelable agreement expiring in April 2023 to Crystal Cathedral Ministries (Affiliate). The monthly lease rates range from \$50,100 at inception to \$56,388 at expiration. Under the terms of this agreement, the Affiliate is responsible to pay executory costs (real estate taxes, insurance, utilities, and maintenance)

For the year ended December 31, 2021, rental income totaled \$659,258.

IRVINE PRESBYTERIAN CHURCH INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 – Rental Income (Continued)

At December 31, 2021, minimum annual rental income under noncancelable leases is receivable as follows:

<u>Year Ending December 31,</u>	
2022	\$ 670,086
2023	<u>225,552</u>
	<u>\$ 895,638</u>

NOTE 11 – Commitments and Contingencies

Shared Costs Allocation

The Church is subject to a shared costs allocation agreement with its Affiliate whereby certain shared costs, including facilities rent, are reimbursed to the Affiliate. At December 31, 2021, amounts due to the Affiliate included in accounts payable in the accompanying statement of financial position is summarized as follows:

Balance, December 31, 2020	\$ 153,337
Shared costs allocation	839,668
Cash payments	<u>(404,322)</u>
Balance, December 31, 2021	<u>\$ 588,683</u>