

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
FINANCIAL STATEMENTS – FUND BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
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YEARS ENDED DECEMBER 31, 2009 AND 2008

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Presbytery of Giddings-Lovejoy, Inc.
St. Louis, Missouri

We have audited the accompanying statement of assets, liabilities, and fund balances – fund basis of Presbytery of Giddings-Lovejoy, Inc. as of December 31, 2009 and the related statements of support, revenue and expenses and changes in fund balances – fund basis for the year then ended. These financial statements are the responsibility of Presbytery of Giddings-Lovejoy, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Presbytery of Giddings-Lovejoy, Inc. as of and for the year ended December 31, 2008, were audited by GMCH (whose practice became part of LarsonAllen LLP effective October 1, 2009), whose report dated June 4, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, Presbytery of Giddings-Lovejoy, Inc. has not classified the difference between its assets and liabilities as unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based on the existence or absence of donor-imposed restrictions. In addition, Presbytery of Giddings-Lovejoy, Inc. has not reported the changes in each of these classes of net assets in the statement of activities and has not disclosed information about expenses reported by their functional classifications in the statement of activities or the notes to the financial statements. Presentation of such information is required by accounting principles generally accepted in the United States of America. The effects on the financial statements of that departure from those accounting principles are not reasonably determinable.



Board of Trustees
Presbytery of Giddings-Lovejoy, Inc.

In our opinion, except for the effects of not reporting the classifications of net assets and their respective changes, as discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balances of Presbytery of Giddings-Lovejoy, Inc. as of December 31, 2009, and the support, revenue and expenses for the year then ended in conformity with the fund basis of accounting described in Note 1.

LarsonAllen LLP
LarsonAllen LLP

St. Louis, Missouri
August 17, 2010

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES –
FUND BASIS
DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
Cash and Cash Equivalents (Note 1)	\$ 541,465	\$ 418,392
Accounts Receivable	-	14,951
Investments (Note 2)	1,688,110	1,926,741
Notes Receivable, Net of Allowance for Doubtful Accounts (Note 4)	46,567	105,718
Property and Equipment (Note 6)	3,290,375	3,124,404
Beneficial Interest in Trust	2,866	2,858
	<u>\$ 5,569,383</u>	<u>\$ 5,593,064</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Advance Payments Received on Per Capita Billing	\$ 5,331	\$ 12,931
Due to Outside Organizations	67,028	46,842
	<u>72,359</u>	<u>59,773</u>
Total Liabilities	72,359	59,773
Fund Balances	<u>5,497,024</u>	<u>5,533,291</u>
Total Liabilities and Fund Balances	<u>\$ 5,569,383</u>	<u>\$ 5,593,064</u>

See accompanying Notes to Financial Statements.

**PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
 STATEMENTS OF SUPPORT, REVENUE AND EXPENSES AND
 CHANGES IN FUND BALANCES – FUND BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
Support and Revenue	\$ 1,640,285	\$ 713,790
Expenses	1,676,552	1,830,536
Support and Revenue Over (Under) Expenses	(36,267)	(1,116,746)
 Fund Balances, Beginning of Year	 5,533,291	 6,650,037
Fund Balances, End of Year	\$ 5,497,024	\$ 5,533,291

See accompanying Notes to Financial Statements.

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Presbytery of Giddings-Lovejoy, Inc. (the Presbytery) is the governing body for approximately 95 churches which are member congregations of the Presbyterian Church (U.S.A.) in the Greater St. Louis Area, Southeastern Missouri, and three counties in Southern Illinois. In addition to its governing function, the Presbytery is engaged in various activities in support of the churches, including their ministerial and community services.

Basis of Accounting

The financial statements have been prepared on the fund basis of accounting, which is a basis of accounting other than generally accepted accounting principles. This method requires that resources for various purposes be classified for accounting and reporting purposes into funds that are in accordance with the activities or objectives specified and that separate accounts be maintained for each fund. Advance payments of per capita revenue received from individual churches are deferred. Purchases and donations of fixed assets are capitalized and depreciated over the estimated useful life. Debt arising from cash transactions is recorded. Investments are carried at market value. The various funds are as follows:

Description of General Funds

Operating Fund

The purpose of the Operating fund is to provide funds in accordance with the annual budget as approved by the Presbytery.

Property and Equipment Fund

The Property and Equipment fund is where all land, buildings, capital improvements and certain office equipment are recorded. The sale of property may produce income from time to time which, by Presbytery action, may be transferred to other funds.

Purchased property is recorded at cost. Property acquired by donation is recorded at the value determined by an official registered appraiser to be the market value at the date of the donation. Property acquired by foreclosure or from dissolved congregations is recorded at the value determined to be the estimated realizable value by the Presbytery's Property Committee. Depreciation is computed using the straight-line method over the estimated useful life.

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Description of Non-Endowment Restricted Funds

Revolving Loan Fund

The Revolving Loan fund is used to make loans available to member churches and related organizations for property acquisition and improvement, church development projects and to provide assistance to churches with serious financial problems. The Presbytery also makes loans available to staff members for down payments on their homes. The Presbytery may charge interest on the loans at a specified rate up to 10% per year depending upon the circumstances in each case. The Mission Council members, who are the Trustees of the Presbytery, generally restrict the use of the Revolving Loan Fund.

Other Funds

These funds are used for various activities. See Note 5 for operating results and fund balance details for the individual funds.

Description of Endowment and Similar Funds

Unrestricted Fund

The income of the fund may be expended for any purpose subject to the approval of the Presbytery. The capital is intended to remain intact, but may also be expended by Presbytery action.

Presbytery Restricted Funds

Winnebago Fund

This fund was established using proceeds from the disposition of the Winnebago Presbyterian Church property. The income of the Fund is to be administered by a special committee of the Presbytery for the benefit of the Presbyterian churches located on the south side of the City of St. Louis, said churches being represented by the South Side Presbyterian Churches United.

Church Development Fund

This fund was established from a percentage of the proceeds of the sale of closed church property. A balance of \$50,000 is to be maintained and remaining funds are to be expended when needed for church development projects or related expenses which are identified by the Presbytery or the Church Development Committee.

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Donor Restricted

Paul Ondr Fund

The income of this fund may be used to provide scholarships to seminary students, under care of the Presbytery, who are pursuing ordination as Minister of Word and Sacrament.

Clarkson-Carpenter Fund

The income of this fund may be used to further provide for religious and social works within the City of St. Louis.

Langenbach Fund

The capital and income of this fund are restricted for purposes of establishing a church in the memory of Dorothy Langenbach, and other new church development projects and programs. The terms for operation of the fund are specified in the September 19, 1991 Judgment (under the Cy Pres doctrine) by the Circuit Court of the City of St. Louis, filed September 24, 1991.

Martin-Coller Scholarship Fund

This is a restricted fund to provide income for scholarship assistance for persons from the Presbytery of Giddings-Lovejoy, Inc. (or its successor) who are engaged in study toward ordination as Minister of Word and Sacrament (MWS). Administration of this scholarship and selection of recipients is by the Presbytery's Committee on Preparation for Ministry (or its successor). If no candidates are in need of assistance, the income from the fund may be available to any student studying for MWS in the Presbyterian Church (USA). However, students from Giddings-Lovejoy will always have preference.

Padgett Century Fund

This fund was established by John C. Padgett to have a financial impact on the ministries supported by the Presbytery. No principal or income can be distributed before the year 2084, and after that date, only the income earned may be distributed.

Schugert Peacemaking Fund

This fund was established to have a financial impact on peacemaking missions supported by the Presbytery. Principal cannot be distributed.

Mound Ridge Fund

The income in this fund is used for camp maintenance and improvements. Principal is not available for distribution.

Bethel Fund

This fund was established to finance the educational needs of rural pastors.

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Presbytery considers all investments which are highly liquid and have a maturity of three months or less to be cash equivalents. At December 31, 2009 and 2008, these amounts did not exceed or qualify for federal insurance coverage.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statements of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment.

Tax Status

The Presbytery qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, is exempt from both federal and state income taxes.

Uncertain Tax Positions

The Presbytery is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on income derived from unrelated business activities. The Presbytery believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Presbytery's federal Exempt Trust Business Income Tax Returns (Form 990T) for 2008, 2007 and 2006 are subject to examination by the IRS, generally for three years after they were filed.

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Effective January 1, 2009, the Presbytery adopted new guidance regarding fair value measurements. The Presbytery measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Presbytery may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

The inputs used to measure fair value are categorized into the following three categories:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Presbytery has the ability to access as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect Presbytery's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

Following is a description of the valuation methodologies used for assets measured at fair value.

Investments - Valued at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Presbytery believes its valuation methods are 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 different fair value measurement at the reporting date.

**PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The Presbytery has the option to elect to measure financial instruments at fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Presbytery has not elected to measure any existing financial instruments at fair value at December 31, 2009. However, the Presbytery may elect to measure newly acquired financial instruments at fair value in the future.

Subsequent Events

In preparing these financial statements, the Presbytery has evaluated events and transactions for potential recognition or disclosure through August 17, 2010, the date the financial statements were available to be issued.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

NOTE 2 INVESTMENTS

Investments consist of the following at December 31:

	2009		2008	
	Original Cost	Fair Value	Original Cost	Fair Value
Cash Equivalents	\$ 52,692	\$ 52,692	\$ 44,913	\$ 44,913
Fixed Income	562,003	567,366	799,557	867,167
Equities	1,045,034	1,068,052	1,587,027	1,014,661
	<u>\$ 1,659,729</u>	<u>\$ 1,688,110</u>	<u>\$ 2,431,497</u>	<u>\$ 1,926,741</u>

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 2 INVESTMENTS (CONTINUED)

The following tabulation summarizes the relationship between cost and market values of investments for 2009 and 2008:

	2009		
	Original Cost	Market Value	Net Gain (Loss)
Balance at Year End	<u>\$ 1,659,729</u>	<u>\$ 1,688,110</u>	\$ 28,381
Balance at Beginning of Year	<u>\$ 2,431,497</u>	<u>\$ 1,926,741</u>	(504,756)
Unrealized Losses on Securities Held			(476,375)
Realized Gains on Sales of Securities			<u>690,122</u>
Net Gain			<u>\$ 213,747</u>
	2008		
	Original Cost	Market Value	Net Gain (Loss)
Balance at Year End	<u>\$ 2,431,497</u>	<u>\$ 1,926,741</u>	\$ (504,756)
Balance at Beginning of Year	<u>\$ 2,855,818</u>	<u>\$ 2,901,421</u>	45,603
Unrealized Losses on Securities Held			(459,153)
Realized Losses on Sales of Securities			<u>(188,410)</u>
Net Loss			<u>\$ (647,563)</u>

Investment income of interest and dividends for the years ended December 31, 2009 and 2008 totaled \$57,949 and \$103,485, respectively.

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 3 FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Presbytery's assets at fair value as of December 31, 2009 and 2008:

	<u>Investment Assets at Fair Value as of December 31, 2009</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash Equivalents	\$ 52,692	\$ -	\$ -	\$ 52,692
Fixed Income	-	567,366	-	567,366
Equities	1,068,052	-	-	1,068,052
Total Investments at Fair Value	<u>\$ 1,120,744</u>	<u>\$ 567,366</u>	<u>\$ -</u>	<u>\$ 1,688,110</u>

	<u>Investment Assets at Fair Value as of December 31, 2008</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash Equivalents	\$ 44,913	\$ -	\$ -	\$ 44,913
Fixed Income	-	867,167	-	867,167
Equities	1,014,661	-	-	1,014,661
Total Investments at Fair Value	<u>\$ 1,059,574</u>	<u>\$ 867,167</u>	<u>\$ -</u>	<u>\$ 1,926,741</u>

NOTE 4 NOTES RECEIVABLE

Notes receivable held in the Revolving Loan fund at December 31, 2009 and 2008 are due from member churches and related organizations, with interest rates ranging from 0% to 7.5%, and repayment terms ranging from payment on demand to a temporary moratorium on principal payments. Most of the receivables are collateralized by Deeds of Trust and, in some cases, the Presbytery holds the General Warranty Deed. The Presbytery has elected the reserve method in accounting for uncollectible accounts. Under this method, uncollectible accounts are charged to the allowance account and the bad debt expense is determined by adjusting the balance in the allowance account to a reserve considered adequate.

Notes receivable are comprised of the following:

	<u>2009</u>	<u>2008</u>
Richmond Heights	\$ 30,968	\$ 30,968
Fisk Presbyterian Church	15,599	17,437
GEMM	-	40,000
Third Presbyterian Church of St. Louis	-	57,313
	<u>46,567</u>	<u>145,718</u>
Less allowance for doubtful accounts	-	40,000
	<u>\$ 46,567</u>	<u>\$ 105,718</u>

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 5 NON-ENDOWMENT RESTRICTED FUNDS – OTHER FUNDS

	12/31/2008 Balance	Support and Revenue Over (Under) Expenses	Transfers To Operating Fund	12/31/2009 Balance
Aids Fund	\$ 33,650	\$ (9,000)	\$ -	\$ 24,650
Capital Campaign	-	13,228	(13,228)	-
COM Emergency Fund	26,384	(914)	-	25,470
COM Restricted Grant	221	-	-	221
E.P. Discretionary Fund	1,047	(308)	-	739
Fundraising Expense	53,149	(8,135)	-	45,014
History Celebration	4,088	374	-	4,462
Hunger	38,018	9,290	-	47,308
ICAT	1,542	(165)	-	1,377
Mound Ridge	32,220	13,511	(29,704)	16,027
PDA Task Force	6,259	(985)	-	5,274
Peacemaking	4,264	1,261	-	5,525
Racial/Ethnic Scholarships	15,000	-	-	15,000
SDOP	17,730	(19,935)	-	(2,205)
Triennium Event	1,645	-	-	1,645
	<u>\$ 235,217</u>	<u>\$ (1,778)</u>	<u>\$ (42,932)</u>	<u>\$ 190,507</u>
Total Fund Balance	<u>\$ 235,217</u>	<u>\$ (1,778)</u>	<u>\$ (42,932)</u>	<u>\$ 190,507</u>

During the years ended December 31, 2009 and 2008, \$42,932 and \$213,578, respectively, of available fund balances were transferred to the Operating Fund from the Non-Endowment Restricted Funds.

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Presbytery Office - land, building and capital improvements, at cost	\$ 1,856,622	\$ 1,856,622
Mound Ridge Camp - land and buildings, at fair value at date of donation plus cost of capital improvements	770,141	751,722
O'Fallon Illinois Church - land, at cost	700,842	700,842
Richmond Heights Church Site - land and buildings, at fair value at date of donation	225,000	-
Lakewood Park - cemetery lots, at fair value at date of donation	10,640	9,050
Equipment	32,850	32,850
Computers	<u>25,174</u>	<u>25,174</u>
Property and equipment, at cost	3,621,269	3,376,260
Less accumulated depreciation	<u>330,894</u>	<u>251,856</u>
Property and equipment, net	<u>\$ 3,290,375</u>	<u>\$ 3,124,404</u>

Depreciation charged to expense was \$79,037 and \$76,607 for the years ended December 31, 2009 and 2008, respectively.

NOTE 7 CONTINGENT LIABILITIES

Guarantees of notes and loans of various member churches by Presbytery of Giddings-Lovejoy, Inc., are summarized as follows:

	<u>2009</u>	<u>2008</u>
Guaranteed with the Presbytery Church (U.S.A.) Interest-bearing notes payable	<u>\$ 176,722</u>	<u>\$ 176,722</u>
Guaranteed with Church Development Corporation Interest-bearing notes payable	<u>\$ 15,028,240</u>	<u>\$ 7,698,127</u>
Guaranteed with Central Treasury Corporation Interest-bearing notes payable	<u>\$ 50,078</u>	<u>\$ 85,256</u>

These guarantees are not reflected in the Presbytery's financial statements.

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 8 OPERATING LEASES

The Presbytery has entered into various lease agreements for office equipment with lease terms expiring in 2011 and 2012. The future minimum payments are as follows at December 31, 2009:

2010	\$	13,911
2011		13,641
2012		<u>12,291</u>
Total	\$	<u>39,843</u>

NOTE 9 EMPLOYEE BENEFIT PLAN

The Presbytery contributes to a multi-employer defined benefit contribution pension plan covering substantially all full-time employees. The plan is administered by the Board of Pensions, Presbyterian Church (U.S.A.). Plan contributions are calculated at approximately 11 percent of the total of salary and housing allowances. Total contributions to the plan were \$52,564 and \$52,823 for 2009 and 2008, respectively.

NOTE 10 DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Presbytery does not classify the difference between its assets and liabilities as unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based on the existence or absence of donor-imposed restrictions. In addition, the Presbytery has not reported the changes in each of these classes of net assets in the statement of activities and has not disclosed information about expenses reported by their functional classifications in the statement of activities or the notes to the financial statements. In order for the accompanying financial statements to conform to accounting principles generally accepted in the United States of America, these classifications and changes should be disclosed. The effects of these departures on the assets, liabilities, and fund balances have not been determined.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
Presbytery of Giddings-Lovejoy, Inc.
St. Louis, Missouri

Our report on our audit of the basic financial statements of Presbytery of Giddings-Lovejoy, Inc. for 2009 appears on page 1. The audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 17 through 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 2009 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The financial statements of Presbytery of Giddings-Lovejoy, Inc. for the year ended December 31, 2008 were audited by GMCH (whose practice became a part of LarsonAllen LLP effective October 1, 2009), whose report dated June 4, 2009, on the supplementary information stated that such information had been subjected to the auditing procedures applied in the audit of the basic financial statements and expressed an unqualified opinion on the supplementary information.

LarsonAllen LLP
LarsonAllen LLP

St. Louis, Missouri
August 17, 2010

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES – FUND BASIS
DECEMBER 31, 2009

	General Funds			Non-Endowment Restricted Funds		
	Operating	Property and Equipment	Total General Fund	Revolving Loan	Other Funds	Total Non-Endowment Restricted Funds
ASSETS						
Cash and Cash Equivalents	\$ 148,758	\$ -	\$ 148,758	\$ 180,458	\$ 190,507	\$ 370,965
Investments	-	-	-	-	-	-
Notes Receivable, Net of Allowance for Doubtful Accounts of \$0	-	-	-	46,567	-	46,567
Property and Equipment	-	3,290,375	3,290,375	-	-	-
Beneficial Interest in Trust	-	-	-	-	-	-
 Total Assets	 <u>\$ 148,758</u>	 <u>\$ 3,290,375</u>	 <u>\$ 3,439,133</u>	 <u>\$ 227,025</u>	 <u>\$ 190,507</u>	 <u>\$ 417,532</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Advance Payments Received on Per Capita Billing	\$ 5,331	\$ -	\$ 5,331	\$ -	\$ -	\$ -
Due To Outside Organizations	<u>67,028</u>	<u>-</u>	<u>67,028</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 72,359	 -	 72,359	 -	 -	 -
 Fund Balances	 <u>76,399</u>	 <u>3,290,375</u>	 <u>3,366,774</u>	 <u>227,025</u>	 <u>190,507</u>	 <u>417,532</u>
 Total Liabilities and Net Assets	 <u>\$ 148,758</u>	 <u>\$ 3,290,375</u>	 <u>\$ 3,439,133</u>	 <u>\$ 227,025</u>	 <u>\$ 190,507</u>	 <u>\$ 417,532</u>

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES – FUND BASIS (CONTINUED)
DECEMBER 31, 2009

	Endowment and Similar Funds											2009 Total All Funds	
	Presbytery Restricted			Donor Restricted						Total Endowment and Similar Funds			
	Unrestricted	Church		Paul Ondr	Martin-			Shugert					
		Winnebago	Develop- ment		Clarkson- Carpenter	Langenbach	Coller Scholarship	Padgett Century	Peace- making		Mound Ridge		Bethel
ASSETS													
Cash and Cash Equivalents	\$ 3,919	\$ -	\$ 10,694	\$ 250	\$ 2,000	\$ 809	\$ 500	\$ -	\$ 718	\$ 2,752	\$ 100	\$ 21,742	\$ 541,465
Investments	41,433	134,601	187,213	38,800	56,411	1,142,162	8,022	37,636	5,023	28,407	8,402	1,688,110	1,688,110
Notes Receivable, Net of Allowance for Doubtful Accounts of \$0	-	-	-	-	-	-	-	-	-	-	-	-	46,567
Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	3,290,375
Beneficial Interest in Trust	2,866	-	-	-	-	-	-	-	-	-	-	2,866	2,866
Total Assets	\$ 48,218	\$ 134,601	\$ 197,907	\$ 39,050	\$ 58,411	\$ 1,142,971	\$ 8,522	\$ 37,636	\$ 5,741	\$ 31,159	\$ 8,502	\$ 1,712,718	\$ 5,569,383
LIABILITIES AND FUND BALANCES													
Liabilities													
Advance Payments Received on Per Capita Billing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,331
Due To Outside Organizations	-	-	-	-	-	-	-	-	-	-	-	-	67,028
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	72,359
Fund Balances	48,218	134,601	197,907	39,050	58,411	1,142,971	8,522	37,636	5,741	31,159	8,502	1,712,718	5,497,024
Total Liabilities and Net Assets	\$ 48,218	\$ 134,601	\$ 197,907	\$ 39,050	\$ 58,411	\$ 1,142,971	\$ 8,522	\$ 37,636	\$ 5,741	\$ 31,159	\$ 8,502	\$ 1,712,718	\$ 5,569,383

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
COMBINING STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN
FUND BALANCES – FUND BASIS
DECEMBER 31, 2009

	General Funds			Non-Endowment Restricted Funds		
	Operating	Property and Equipment	Total General Fund	Revolving Loan	Other Funds	Total Non-Endowment Restricted Funds
Support and Revenue:						
Contributions and Support	\$ 941,177	\$ 226,590	\$ 1,167,767	\$ -	\$ 93,816	\$ 93,816
Program Fees	56,731	-	56,731	-	-	-
Interest and Dividends	4,043	-	4,043	3,151	-	3,151
Net Gain on Investments	-	-	-	-	-	-
Miscellaneous Income	19,860	-	19,860	-	5,989	5,989
Gain on Sale of Assets	-	-	-	-	-	-
Total Support and Revenue	1,021,811	226,590	1,248,401	3,151	99,805	102,956
Expenses:						
Program Expenses	1,089,903	79,037	1,168,940	-	101,583	101,583
Total Expenses	1,089,903	79,037	1,168,940	-	101,583	101,583
Support and Revenue Over (Under) Expenses	(68,092)	147,553	79,461	3,151	(1,778)	1,373
Fund Balances, Beginning of Year	59,773	3,124,404	3,184,177	223,874	235,217	459,091
Transfers	84,718	18,418	103,136	-	(42,932)	(42,932)
Fund Balances, End of Year	\$ 76,399	\$ 3,290,375	\$ 3,366,774	\$ 227,025	\$ 190,507	\$ 417,532

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
COMBINING STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN
FUND BALANCES – FUND BASIS (CONTINUED)
DECEMBER 31, 2009

	Endowment and Similar Funds											Total 2009 Total All Funds	
	Presbytery Restricted			Donor Restricted							Total Endowment and Similar Funds		
	Unrestricted	Church Develop- ment		Paul Ondr	Clarkson- Carpenter	Langenbach	Martin- Coller Scholarship	Padgett Century	Shugert Peace- making	Mound Ridge			Bethel
		Winnebago											
Support and Revenue:													
Contributions and Support	\$ -	\$ -	\$ -	\$ 125	\$ -	\$ 4,200	\$ 125	\$ -	\$ -	\$ 100	\$ -	\$ 4,550	\$ 1,266,133
Program Fees	-	-	19,241	-	-	-	-	-	-	-	-	19,241	75,972
Interest and Dividends	1,815	3,171	7,128	913	1,333	34,091	189	885	324	708	198	50,755	57,949
Net Gain on Investments	8,676	15,917	27,913	4,587	6,673	139,957	948	4,449	599	3,035	993	213,747	213,747
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	25,849
Gain on Sale of Assets	635	-	-	-	-	-	-	-	-	-	-	635	635
Total Support and Revenue	11,126	19,088	54,282	5,625	8,006	178,248	1,262	5,334	923	3,843	1,191	288,928	1,640,285
Expenses:													
Program Expenses	-	-	114,841	-	-	291,188	-	-	-	-	-	406,029	1,676,552
Total Expenses	-	-	114,841	-	-	291,188	-	-	-	-	-	406,029	1,676,552
Support and Revenue													
Over (Under) Expenses	11,126	19,088	(60,559)	5,625	8,006	(112,940)	1,262	5,334	923	3,843	1,191	(117,101)	(36,267)
Fund Balances, Beginning of Year	72,296	115,513	283,466	33,425	50,405	1,255,911	7,260	32,302	4,818	27,316	7,311	1,890,023	5,533,291
Transfers	(35,204)	-	(25,000)	-	-	-	-	-	-	-	-	(60,204)	-
Fund Balances, End of Year	\$ 48,218	\$ 134,601	\$ 197,907	\$ 39,050	\$ 58,411	\$ 1,142,971	\$ 8,522	\$ 37,636	\$ 5,741	\$ 31,159	\$ 8,502	\$ 1,712,718	\$ 5,497,024

**PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND
 FUND BALANCES – FUND BASIS
 DECEMBER 31, 2008**

	General Funds			Non-Endowment Restricted Funds		
	Operating	Property and Equipment	Total General Fund	Revolving Loan	Other Funds	Total Non-Endowment Restricted Funds
ASSETS						
Cash and Cash Equivalents	\$ 104,595	\$ -	\$ 104,595	\$ 118,156	\$ 235,217	\$ 353,373
Accounts Receivable	14,951	-	14,951	-	-	-
Investments	-	-	-	-	-	-
Notes Receivable, Net of Allowance for Doubtful Accounts of \$0	-	-	-	105,718	-	105,718
Property and Equipment	-	3,124,404	3,124,404	-	-	-
Beneficial Interest in Trust	-	-	-	-	-	-
Total Assets	<u>\$ 119,546</u>	<u>\$ 3,124,404</u>	<u>\$ 3,243,950</u>	<u>\$ 223,874</u>	<u>\$ 235,217</u>	<u>\$ 459,091</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Advance Payments Received on Per Capita Billing	\$ 12,931	\$ -	\$ 12,931	\$ -	\$ -	\$ -
Due To Outside Organizations	46,842	-	46,842	-	-	-
Total Liabilities	59,773	-	59,773	-	-	-
Fund Balances	<u>59,773</u>	<u>3,124,404</u>	<u>3,184,177</u>	<u>223,874</u>	<u>235,217</u>	<u>459,091</u>
Total Liabilities and Net Assets	<u>\$ 119,546</u>	<u>\$ 3,124,404</u>	<u>\$ 3,243,950</u>	<u>\$ 223,874</u>	<u>\$ 235,217</u>	<u>\$ 459,091</u>

**PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
COMBINING STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES – FUND BASIS (CONTINUED)
DECEMBER 31, 2008**

	Endowment and Similar Funds											Total 2008		
	Presbytery Restricted					Donor Restricted					Total Endowment and Similar Funds		2008 Total All Funds	
	Unrestricted	Winnebago	Church Develop- ment	Paul Ondr	Clarkson- Carpenter	Langenbach	Martin- Coller Scholarship	Padgett Century	Shugert Peace- making	Mound Ridge				Bethel
ASSETS														
Cash and Cash Equivalents	\$ 3,284	\$ -	\$ (42,718)	\$ 125	\$ 2,000	\$ (6,112)	\$ 375	\$ -	\$ 718	\$ 2,652	\$ 100	\$ (39,576)	\$ 418,392	
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	14,951	
Investments	66,154	115,513	326,184	33,300	48,405	1,262,023	6,885	32,302	4,100	24,664	7,211	1,926,741	1,926,741	
Notes Receivable, Net of Allowance for Doubtful Accounts of \$0	-	-	-	-	-	-	-	-	-	-	-	-	105,718	
Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	3,124,404	
Beneficial Interest in Trust	2,858	-	-	-	-	-	-	-	-	-	-	2,858	2,858	
Total Assets	\$ 72,296	\$ 115,513	\$ 283,466	\$ 33,425	\$ 50,405	\$ 1,255,911	\$ 7,260	\$ 32,302	\$ 4,818	\$ 27,316	\$ 7,311	\$ 1,890,023	\$ 5,593,064	
LIABILITIES AND FUND BALANCES														
Liabilities														
Advance Payments Received on														
Per Capita Billing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,931	
Due To Outside Organizations	-	-	-	-	-	-	-	-	-	-	-	-	46,842	
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	59,773	
Fund Balances	72,296	115,513	283,466	33,425	50,405	1,255,911	7,260	32,302	4,818	27,316	7,311	1,890,023	5,533,291	
Total Liabilities and Net Assets	\$ 72,296	\$ 115,513	\$ 283,466	\$ 33,425	\$ 50,405	\$ 1,255,911	\$ 7,260	\$ 32,302	\$ 4,818	\$ 27,316	\$ 7,311	\$ 1,890,023	\$ 5,593,064	

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
COMBINING STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN
FUND BALANCES – FUND BASIS
DECEMBER 31, 2008

	General Funds			Non-Endowment Restricted Funds		
		Property and Equipment	Total General Fund	Revolving Loan	Other Funds	Total Non-Endowment Restricted Funds
	Operating					
Support and Revenue:						
Contributions and Support	\$ 1,000,757	\$ -	\$ 1,000,757	\$ -	\$ 140,738	\$ 140,738
Program Fees	73,262	-	73,262	-	-	-
Interest and Dividends	16,695	-	16,695	5,473	-	5,473
Net Loss on Investments	-	-	-	-	-	-
Miscellaneous Income	33,391	-	33,391	-	8,395	8,395
Total Support and Revenue	1,124,105	-	1,124,105	5,473	149,133	154,606
Expenses:						
Program Expenses	1,113,744	76,607	1,190,351	-	158,014	158,014
Grants	-	-	-	-	-	-
Total Expenses	1,113,744	76,607	1,190,351	-	158,014	158,014
Support and Revenue						
Over (Under) Expenses	10,361	(76,607)	(66,246)	5,473	(8,881)	(3,408)
Fund Balances, Beginning of Year	(231,065)	3,162,204	2,931,139	218,401	457,676	676,077
Transfers	280,477	38,807	319,284	-	(213,578)	(213,578)
Fund Balances, End of Year	\$ 59,773	\$ 3,124,404	\$ 3,184,177	\$ 223,874	\$ 235,217	\$ 459,091

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
COMBINING STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN
FUND BALANCES – FUND BASIS (CONTINUED)
DECEMBER 31, 2008

	Endowment and Similar Funds											2008 Total All Funds	
	Presbytery Restricted			Donor Restricted							Total Endowment and Similar Funds		
	Unrestricted	Winnebago	Church	Paul Ondr	Clarkson-	Langenbach	Martin-	Padgett Century	Shugert	Mound Ridge			Bethel
			Develop- ment		Carpenter		Coller Scholarship		Peace- making				
Support and Revenue:													
Contributions and Support	\$ -	\$ -	\$ -	\$ 125	\$ -	\$ -	\$ 125	\$ -	\$ -	\$ 120	\$ 100	\$ 470	\$ 1,141,965
Program Fees	-	-	855	-	-	-	-	-	-	-	-	855	74,117
Interest and Dividends	2,873	4,608	13,999	1,227	1,878	53,777	255	1,195	290	948	267	81,317	103,485
Net Loss on Investments	(21,722)	(34,645)	(110,240)	(9,691)	(14,799)	(433,071)	(1,983)	(9,301)	(2,270)	(7,709)	(2,132)	(647,563)	(647,563)
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	41,786
Total Support and Revenue	(18,849)	(30,037)	(95,386)	(8,339)	(12,921)	(379,294)	(1,603)	(8,106)	(1,980)	(6,641)	(1,765)	(564,921)	713,790
Expenses:													
Program Expenses	-	-	169,733	-	5,000	288,209	-	-	299	-	-	463,241	1,811,606
Grants	-	18,930	-	-	-	-	-	-	-	-	-	18,930	18,930
Total Expenses	-	18,930	169,733	-	5,000	288,209	-	-	299	-	-	482,171	1,830,536
Support and Revenue													
Over (Under) Expenses	(18,849)	(48,967)	(265,119)	(8,339)	(17,921)	(667,503)	(1,603)	(8,106)	(2,279)	(6,641)	(1,765)	(1,047,092)	(1,116,746)
Fund Balances, Beginning of Year	171,851	164,480	573,585	41,764	68,326	1,923,414	8,863	40,408	7,097	33,957	9,076	3,042,821	6,650,037
Transfers	(80,706)	-	(25,000)	-	-	-	-	-	-	-	-	(105,706)	-
Fund Balances, End of Year	\$ 72,296	\$ 115,513	\$ 283,466	\$ 33,425	\$ 50,405	\$ 1,255,911	\$ 7,260	\$ 32,302	\$ 4,818	\$ 27,316	\$ 7,311	\$ 1,890,023	\$ 5,533,291

PRESBYTERY OF GIDDINGS-LOVEJOY, INC.
SCHEDULE OF RETURN ON INVESTMENTS – FUND BASIS
DECEMBER 31, 2009 AND 2008

	2009				2008			
	Original Cost	Market Value	Net Investment Income	Total Return on Investments (Annualized)	Original Cost	Market Value	Net Investment Income	Total Return on Investments (Annualized)
ENDOWMENT AND SIMILAR FUNDS								
UNRESTRICTED FUNDS								
<u>Unrestricted Fund</u>								
Marketable Equity Securities								
Presbyterian Foundation	\$ 37,409	\$ 41,433	\$ 10,491	15.86 %	\$ 81,953	\$ 66,154	\$ (18,849)	(15.39) %
RESTRICTED FUNDS								
<u>Bethel Fund</u>								
Presbyterian Foundation	8,040	8,402	1,191	16.52 %	8,838	7,211	(1,865)	(20.95) %
<u>Winnebago Fund</u>								
Presbyterian Foundation	128,643	134,601	19,088	16.52 %	141,462	115,513	(30,037)	(18.30) %
<u>Church Development Fund</u>								
Presbyterian Foundation	177,841	187,213	35,041	10.74 %	422,284	326,184	(96,241)	(19.69) %
<u>Paul Ondr Fund</u>								
Presbyterian Foundation	36,989	38,800	5,500	16.52 %	40,676	33,300	(8,464)	(20.64) %
<u>Clarkson-Carpenter Fund</u>								
Presbyterian Foundation	54,240	56,411	8,006	16.54 %	59,672	48,405	(12,921)	(18.91) %
<u>Langenbach Fund</u>								
Presbyterian Foundation	1,138,945	1,142,162	174,048	13.79 %	1,592,065	1,262,023	(379,294)	(19.77) %
<u>Martin-Coller Scholarship Fund</u>								
Presbyterian Foundation	7,627	8,022	1,137	16.51 %	8,386	6,885	(1,728)	(20.06) %
<u>Padgett Century Fund</u>								
Presbyterian Foundation	35,784	37,636	5,334	16.51 %	39,344	32,302	(8,106)	(20.06) %
<u>Shugert Peacemaking Fund</u>								
Presbyterian Foundation	5,911	5,023	923	22.51 %	6,042	4,100	(1,980)	(31.04) %
<u>Mound Ridge Fund</u>								
Presbyterian Foundation	28,300	28,407	3,743	15.18 %	30,775	24,664	(6,761)	(19.91) %
	<u>\$ 1,659,729</u>	<u>\$ 1,688,110</u>	<u>\$ 264,502</u>	<u>13.73 %</u>	<u>\$ 2,431,497</u>	<u>\$ 1,926,741</u>	<u>\$ (566,246)</u>	<u>(19.52) %</u>

The return on investment is calculated based on net investment income, which is the sum of the increase or decrease in the valuation account, interest or dividend income, and gain or loss on sale, divided by the beginning of the current year market value.