PRESBYTERY OF GENEVA

FINANCIAL STATEMENTS

December 31, 2013

CPA

Heveron & Company

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Presbytery of Geneva
Rochester, New York

We have audited the accompanying financial statements of the Presbytery of Geneva (a religious corporation), which comprise the balance sheet as of December 31, 2013 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Presbytery of Geneva as of December 31, 2013 and its cash flows, changes in net assets and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Heveron & Company

Heveron & Company
Certified Public Accountants

Rochester, New York
August 19, 2014

PRESBYTERY OF GENEVA
BALANCE SHEET
December 31, 2013

ASSETS

Current Assets	
Cash and Cash Equivalents	$ 53,016
Pledges Receivable	65,170
Inventory	1,670
Prepaid Expenses	6,450
Total Current Assets	126,306
Property and Equipment	
Buildings and Improvements	1,035,162
Land	889,000
Vehicles and Boats	63,685
Furniture and Equipment	7,000
Computer Software	6,300
Less: Accumulated Depreciation and Amortization	(149,027)
Net Property and Equipment	1,852,120
Other Assets	
Investments	95,973
Beneficial Interest in Life Income Charitable Gifts	9,428
Total Other Assets	105,401
TOTAL ASSETS	$ 2,083,827

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	$ 120,702
Current Portion of Long Term Debt	6,110
Total Current Liabilities	126,812
Long-Term Debt	131,250
Total Liabilities	258,062
Net Assets	
Unrestricted	
Operations	1,501,639
Board Designated	78,280
Total Unrestricted	1,579,919
Temporarily Restricted	245,846
Total Net Assets	1,825,765
TOTAL LIABILITIES AND NET ASSETS	$ 2,083,827

See Independent Auditors' Report and Notes to Financial Statements.

PRESBYTERY OF GENEVA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Presbytery General Mission	$ 259,346	$ 106,693	$ 366,039
Presbytery Per Capita	287,070	-	287,070
Camp Whitman	143,899	-	143,899
Realized/Unrealized Gain on Investments	7,266	-	7,266
Camp Store Sales	3,104	-	3,104
Less: Cost of Goods Sold	(6,895)	-	(6,895)
Other Income	839	-	839
Releases from Restrictions	131,237	(131,237)	-
Total Support and Revenue	825,866	(24,544)	801,322
Expenses			
Program Expenses:			
Camp Whitman	357,737	-	357,737
Presbytery Missions	458,938	-	458,938
Supporting Services:			
Presbytery Operations	151,834	-	151,834
Total Expenses	968,509	-	968,509
Deficit of Support and Revenue Over Expenses	(142,643)	(24,544)	(167,187)
Net Assets - Beginning of Year	1,722,562	268,269	1,990,831
Change in Interest in Life Income Charitable Gifts	-	2,121	2,121
Net Assets - End of Year	$ 1,579,919	$ 245,846	$ 1,825,765

See Independent Auditors' Report and Notes to Financial Statements.

PRESBYTERY OF GENEVA
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2013

	Camp Whitman	Presbytery Missions	Presbytery Operations	Total
Salaries and Wages	$ 170,348	$ 120,212	$ 40,931	$ 331,491
Employee Benefits	45,930	58,934	24,831	129,695
Payroll Taxes	10,809	7,627	2,597	21,033
Total Payroll and Related Costs	227,087	186,773	68,359	482,219
Missions - Other	-	105,195	-	105,195
Per Capita	-	71,254	-	71,254
Missions - Session Endorsed Projects	-	50,747	-	50,747
Depreciation and Amortization	36,485	3,544	2,246	42,275
Travel and Conferences	300	24,225	14,203	38,728
Supplies and Office Expense	16,321	-	20,156	36,477
Food Expense	21,028	-	1,234	22,262
Professional Fees	2,775	-	16,996	19,771
Insurance	14,190	-	5,458	19,648
Missions - Presbytery Committees	-	14,550	-	14,550
Repairs and Maintenance	10,037	-	1,530	11,567
Other Expenses	8,537	-	2,030	10,567
Utilities	6,620	-	3,807	10,427
Interest Expense	-	-	9,246	9,246
Employee Development	1,505	-	5,455	6,960
Vehicle Maintenance	5,379	-	-	5,379
Small Equipment	4,973	-	80	5,053
Synod Mission Expense	-	2,650	-	2,650
Marketing	2,500	-	-	2,500
Bad Debt Expense	-	-	1,034	1,034
Total Expenses	$ 357,737	$ 458,938	$ 151,834	$ 968,509

PRESBYTERY OF GENEVA
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2013

Cash Flow From Operating Activities	
Deficit of Support and Revenue Over Expenses	$ (167,187)
Noncash Expenses, Revenues, Losses and Gains:	
Depreciation and Amortization	42,275
Net Realized/Unrealized Gain on Investment	(7,266)
Bad Debt Expense	1,034
Decrease/(Increase) In:	
Pledges Receivable	(12,069)
Inventory	3,394
Prepaid Expenses	(739)
Increase/(Decrease) In:	
Accounts Payable	115,072
Deferred Revenue	(100)
Net Cash Flow Used By Operating Activities	(25,586)
Cash Flow From Investing Activities	
Purchase of Property and Equipment	(6,300)
Cash Flow Used By Investing Activities	(6,300)
Cash Flow From Financing Activities	
Payments on Long Term Debt	(6,687)
Cash Flow Used By Financing Activities	(6,687)
Net Decrease in Cash and Cash Equivalents	(38,573)
Cash and Cash Equivalents - Beginning of Year	91,589
Cash and Cash Equivalents - End of Year	$ 53,016
Supplemental Disclosures	
Cash Paid During The Year For:	
Interest	$ 9,246

See Independent Auditors' Report and Notes to Financial Statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Presbytery of Geneva (the Presbytery) was founded in 1805. The mission of the Presbytery is formally stated: The purpose of the Geneva Presbytery is to empower and help its local congregations to organize for mission in obedience to the Lordship of Christ, thus fulfilling their unique ministry of sharing the Gospel, by placing the entire resources of the congregation effectively in the service of Christ.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Presbytery reports information regarding its financial position and activities according to the existence and nature of donor restrictions in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. There were no permanently restricted net assets at December 31, 2013.

The Presbytery also records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

The following are descriptions of the Presbytery's net asset classifications:

Unrestricted:

Operations: Undesignated resources that are available for the general support of the Presbytery's operations.

Board Designated: Resources that the Board has earmarked for purposes other than general operations. Board designated net assets consisted of the Lauter gift and amounted to $78,280 at December 31, 2013.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily Restricted Net Assets: Temporarily restricted net assets result from contributions where use by the Presbytery is subject to donor's restrictions that expire with the passage of time or by actions of the Presbytery. Temporarily restricted net assets consisted of the following at December 31, 2013:

Camp Whitman	125,568
Presbytery General	26,800
Partnership with Presbytery of Caribe	20,713
Two-Cents-A-Meal	16,277
Study Leave	11,910
Other Programs	11,343
Beneficial Interest in Life Income Charitable Gifts	9,428
Presbytery Supported Missions	9,400
Lay Pastors Seminars	8,925
Hay Grant	5,482
Total Temporarily Restricted Net Assets	$ 245,846

When donor restrictions from prior years expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions

Contributions are recorded at the time of receipt or when evidence of a non-conditional promise to give has been received. Promises subject to conditions are not recorded as income until those conditions have been met. Contributions that are expected to be received in future years are recorded at their present value. Contributions are recorded as unrestricted unless they are subject to donor restrictions, or are required to be used or expected to be received in future years.

Marketing

Marketing costs are expensed as incurred.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories consist of items used at the camp store such as clothing and merchandise for sale, and are recorded at the lower of cost (determined on a first-in, first-out basis) or market.

Income Taxes

The Presbytery is qualified under Section 501(c)(3) of the Internal Revenue Code as a not-for-profit religious organization exempt from federal and state income taxes. Accordingly, no provision for income taxes is included in these statements.

Accounting standards require entities to disclose in their financial statements the nature of any uncertainties in their tax position. Religious organizations are exempt from filing income tax returns unless they have unrelated business income. All tax years since the Presbytery's inception are subject to examination by tax authorities, as the Presbytery is not required and has not filed any tax returns. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt status and the existence and amount of unrelated business income. The Presbytery does not believe that it has any uncertain tax positions with respect to these or other matters, and has not recorded any unrecognized tax benefits or liability for penalties or interest.

The Presbytery is not aware of any circumstances or events that make it reasonably possible that tax benefits may increase or decrease within 12 months of the date of these financial statements.

Pledges Receivable

Pledges receivable are stated at the amount management expects to collect. Amounts that management believes to be uncollectible, after collection efforts have been completed, are written off. In addition, management evaluates the need for, and if appropriate, provides an allowance to reduce receivables to amounts management expects will be collected. Management determined that no allowances were necessary at year-end.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost. The Presbytery capitalizes property and equipment with a cost of over $1,000 and an estimated life of at least three years. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, as follows.

	Years
Buildings and Improvements	15-39
Furniture and Equipment	5
Vehicles and Boats	10

Depreciation expense amounted to $41,225 for the year ended December 31, 2013.

Software

Software costs are being amortized on the straight line method over five years. Amortization expense amounted to $1,050 for the year ended December 31, 2013.

Determining Fair Value of Financial Assets and Liabilities

As defined in the accounting standards, fair value 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. This applies to all assets and liabilities that are being measured and reported on the fair value basis. Accounting standards require new disclosures that establish a framework for measuring fair value and expands disclosure about fair value measurements. This statement enables the reader of the financial statements to assess the inputs used to develop those measurements, by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Accounting standards require that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices and active markets for identical assets or liabilities.
Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand and in banks. The Presbytery considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash and cash equivalents consisted of the following at December 31, 2013:

Checking	$	34,863
Money Market		18,153
Total	$	53,016

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among Camp Whitman, Presbytery missions, and Presbytery operations.

NOTE 2 - RELATED PARTY TRANSACTIONS

The Presbytery has oversight of sixty-one area churches from which it receives per capita income. The Presbytery received total per capita income of $287,070 for the year ended December 31, 2013.

NOTE 3 - COMMITMENTS

The Presbytery is the guarantor on a loan from the Presbyterian Church (USA) to the First Presbyterian Church of Ontario. The maximum liability under this guaranty is $20,000 exclusive of interest, penalties, costs and fees. This agreement terminates on July 25, 2018.

PRESBYTERY OF GENEVA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013
(Continued)

NOTE 4 - INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value. Unrealized gains or losses on securities result from differences between the cost and fair market value of securities on a specified valuation date.

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Investments are held in investment funds managed by professional investment advisors. A summary of investments at market value at December 31, 2013 are as follows:

	Level 1	Level 2	Level 3	Totals
Money Market Funds	$ 75,998	$ -	$ -	$ 75,998
Equity	15,187	-	-	15,187
Bond Investments	-	2,651	-	2,651
Mutual Funds	2,137	-	-	2,137
Totals	$ 93,322	$ 2,651	$ -	$ 95,973

NOTE 5 - RETIREMENT PLAN

The Presbytery contributes 11% of each eligible employee's compensation to a 403(b) Retirement Plan of the employee's choice. All regular lay employees and ordained employees are eligible. The Board of Pensions - Presbyterian Church USA administers the plan. For the year ended December 31, 2013, contributions to the plan by the Presbytery were approximately $24,355.

NOTE 6 - DONATED SERVICES AND GOODS

The Presbytery receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America. During 2013, volunteers provided approximately 3,000 hours of service serving on various committees.

PRESBYTERY OF GENEVA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013
(Continued)

NOTE 7 - LONG TERM DEBT

Long-term debt consists of the following at December 31, 2013:

Note payable to Community Bank, National Associate, originally in the amount of $164,000. This note bears interest at a rate of 6.5% to be adjusted May 15, 2015 to a rate mutually acceptable to both parties. The note is secured by the property located at 2266 Route 54A in Penn Yan, New York. Principal and interest are payable in monthly installments of $1,232. The note matures in May of 2018.	$	137,360
Less: Current Maturities		6,110
Long-Term Portion	$	131,250

Maturities of long-term debt for the years after December 31, 2014 are as follows:

Year		Amount
2015	$	6,519
2016		6,956
2017		7,421
2018		110,354
Total	$	131,250

NOTE 8 - TRUST HELD BY THIRD PARTIES

Beneficial Interest in Life Income Charitable Gifts

The Presbytery is a beneficiary under a trust held by a third party. Under the terms of the related trust agreement, annual distributions will be made to the donor based on a fixed percentage. After the donor's death, the trust assets will be transferred to the Presbytery. The Presbytery's beneficial interest in the trust is measured at the present value of the expected future cash flows from the trust's assets, using a discount rate of 4%.

NOTE 9 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 19, 2014, which is the date the statements were available for issuance.