Batts Morrison Wales & Lee
CERTIFIED PUBLIC ACCOUNTANTS

Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan

Financial Statements

For The Years Ended June 30, 2023 and 2022

Batts Morrison Wales & Lee
CERTIFIED PUBLIC ACCOUNTANTS ®

REPORT OF INDEPENDENT AUDITOR

The Board of Directors and Plan Participants
EPC Benefit Resources, Inc.
Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan
Orlando, Florida

Opinion
We have audited the accompanying financial statements of Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan ("the Plan"), which consist of the statements of net assets available for benefits (modified cash basis) as of June 30, 2023 and 2022, and the related statements of changes in net assets available for benefits (modified cash basis) for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits (modified cash basis) of Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan as of June 30, 2023 and 2022, and the changes in its net assets available for benefits (modified cash basis) for the years then ended, in accordance with the modified cash basis of accounting described in Note B.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting
We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 including 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 Plan'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 Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governances 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.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
May 15, 2024

EVANGELICAL PRESBYTERIAN CHURCH 403(b) DEFINED CONTRIBUTION RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS (MODIFIED CASH BASIS)

	June 30, 2023	June 30, 2022
CASH	$ 40,024	$ 60,590
INVESTMENTS, at estimated fair value	199,381,604	174,180,531
NET ASSETS AVAILABLE FOR BENEFITS	**$ 199,421,628**	**$ 174,241,121**

The Accompanying Notes are an Integral Part of These Financial Statements

EVANGELICAL PRESBYTERIAN CHURCH 403(b) DEFINED CONTRIBUTION RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (MODIFIED CASH BASIS)

	For The Years Ended June 30, 2023	For The Years Ended June 30, 2022
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income (loss), net		
Net appreciation (depreciation) in estimated fair value of investments	$ 16,701,628	$ (41,475,271)
Dividend and interest income	6,420,872	8,330,185
Total investment income (loss), net	23,122,500	(33,145,086)
Contributions		
Church employer contributions	8,237,619	7,785,807
Employee contributions	3,487,910	3,513,505
Rollover and other	451,450	1,164,990
Total contributions	12,176,979	12,464,302
Total additions, net	**35,299,479**	**(20,680,784)**
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid to participants	9,534,575	8,916,363
Administrative expenses	584,397	517,147
Total deductions	**10,118,972**	**9,433,510**
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	**25,180,507**	**(30,114,294)**
NET ASSETS AVAILABLE FOR BENEFITS – Beginning of year	**174,241,121**	**204,355,415**
NET ASSETS AVAILABLE FOR BENEFITS – End of year	**$ 199,421,628**	**$ 174,241,121**

NOTE A – DESCRIPTION OF PLAN

The following description of the Evangelical Presbyterian Church 403(b) Defined Contribution Retirement Plan ("the Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General
The Plan is a 403(b) defined contribution plan which is sponsored by the Evangelical Presbyterian Church ("the Plan Sponsor"). The Plan administrator is EPC Benefit Resources, Inc. ("BRI"). Member churches and organizations of the Evangelical Presbyterian Church (individually and collectively referred to as "the Employer") may adopt the Plan. Employees of the Employer may make elective deferrals up to the maximum annual deferral limit determined by the Internal Revenue Service ("IRS"). The Plan is a church plan as defined in section 414(e) of the Internal Revenue Code. As a result, the Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and is exempt from filing Form 5500 with the Internal Revenue Service ("IRS") annually.

Eligibility
The Plan is available to any employee of the Employer. An employee will be eligible to become a participant in the Plan on the date the employee meets the Employer's eligibility conditions set forth in its individual adoption agreement or in such other written document as may be permitted by the Plan Sponsor.

Contributions
Under the terms of the Plan, contributions are outlined as follows:

Employer contributions – The Employer may make contributions as set forth in its individual adoption agreement or in such other written document as may be permitted by BRI and has complete discretion to determine the amount it will contribute. The Employer is required to make a contribution of not less than 10% of base salary plus housing allowance for ordained pastors.

Employee contributions – Employee contributions are not required, however, Plan participants may make elective deferral contributions to the Plan consisting of a portion of the participant's compensation on a pre-tax or after-tax Roth basis, limited to the maximum annual deferral limit determined by the IRS. The Plan allows participants to contribute amounts representing rollover distributions from other qualified plans.

Neither the Plan Sponsor nor BRI is required to determine if the Employer has made a contribution or if the amount contributed is in accordance with the resolutions or other Employer action in the adoption of this Plan. The Employer shall have sole responsibility in this regard.

Transfers from other qualified plans
Participants that have an interest in other qualified plans, as described in the Internal Revenue Code, may transfer their interest into the Plan if they have satisfied the conditions for participation.

Participant accounts
Each participant's account is credited with the participant's contribution, employer contributions (if any), and plan earnings, and is charged with a direct allocation of administrative expenses. Allocations are based on participant compensation or account balances, as defined in the Plan document. Participant benefits are limited to the benefits that can be provided from the participant's vested account balance.

Vesting
Participants are 100% vested in employee, employer, and rollover contributions.

NOTE A – DESCRIPTION OF PLAN (Continued)

Payment of benefits

Upon termination of service, the achievement of early retirement age, or normal retirement age (age 59 ½), a participant may request distribution of their retirement account. Participants may receive the value of his or her account in a lump-sum amount, in installment payments over a specified period of time, or in various life annuities as defined in the Plan document. Participants may also withdraw amounts from their retirement account by reason of financial hardship under specific guidelines set forth in the Plan document.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Plan's financial statements have been prepared on the modified cash basis of accounting. That basis differs from generally accepted accounting principles ("GAAP") primarily in the following respects:

- Revenues are recognized when received rather than when earned; and
- Expenses are recognized when paid rather than when the obligation is incurred.

Investment valuation and income recognition

The Plan's investments consist of various mutual funds and money market accounts which are stated at estimated fair value based on quoted market prices in active markets. See Note D for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income and dividends are recorded when received. Net appreciation and depreciation in estimated fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of benefits

Benefit payments are recorded when paid.

Administrative expenses

Certain expenses paid in connection with general administration of the Plan are paid by the Plan and are recorded in the accompanying statements of changes in net assets available for benefits (modified cash basis) as administrative expenses. Certain other expenses related to the Plan are paid by the Employer and are not included in the accompanying financial statements.

Use of estimates

The Plan uses estimates and assumptions in preparing modified cash basis financial statements. Those estimates and assumptions affect the reported amounts of assets, the disclosure of contingent assets and liabilities, and reported additions and deductions. Significant estimates used in preparing these financial statements include those related to the estimated fair value of investments. Actual results could differ from the estimates.

Subsequent events

The Plan has evaluated for possible financial reporting and disclosure subsequent events through the date of the report of independent auditor, the date as of which the financial statements were available to be issued.

NOTE C – INVESTMENTS

The Plan invests in various mutual funds and money market accounts. The Plan's third-party record-keeping organization ("the Record Keeper") processes and invests the assets of the Plan at the direction of the Plan participants, as defined by the retirement services agreement. The Record Keeper values the funds daily, allocates the increment since the last valuation among the participants, and makes disbursements to participants and beneficiaries of the Plan at the direction of the Plan participants.

The Plan's mutual fund investments (including gains and losses on investments bought, sold, and held during the year), which are all participant-directed, appreciated in value by $16,701,628 during the year ended June 30, 2023 and depreciated in value by $41,475,271 during the year ended June 30, 2022. The value of the Plan's money market and self-directed brokerage account money market funds do not appreciate or depreciate and remain constant at $1 per share.

NOTE D – FAIR VALUE MEASUREMENTS

The Plan's investments are reported at estimated fair value in the accompanying statements of net assets available for benefits (modified cash basis). The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan 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 a different fair value measurement at the reporting date. The valuation methodologies used in the accompanying financial statements were consistently applied during the years ended June 30, 2023 and 2022.

The accompanying financial statements are prepared on the modified cash basis of accounting. Generally, footnote disclosures under a modified cash basis presentation should be similar, when possible, to those required under GAAP. Accordingly, the Plan has included the fair value measurement disclosures required by GAAP.

GAAP defines fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments.

In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs

NOTE D – FAIR VALUE MEASUREMENTS (Continued)

The Plan's money market funds, self-directed brokerage account money market funds, and mutual funds are valued at the daily closing price as reported by the fund, and the mutual funds are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price and are deemed to be actively traded.

Estimated fair value of investments measured on a recurring basis as of June 30, 2023, are as follows:

	Total	Level 1	Level 2	Level 3
Money market funds	$ 8,827,887	$ 8,827,887	$ —	$ —
Self-directed brokerage account money market funds	8,601,128	8,601,128	—	—
Mutual funds (blended investments, stock funds, and bond funds)	181,952,589	181,952,589	—	—
Total investments at estimated fair value	$ 199,381,604	$ 199,381,604	$ —	$ —

Estimated fair value of investments measured on a recurring basis as of June 30, 2022, are as follows:

	Total	Level 1	Level 2	Level 3
Money market funds	$ 7,372,397	$ 7,372,397	$ —	$ —
Self-directed brokerage account money market funds	7,060,216	7,060,216	—	—
Mutual funds (blended investments, stock funds, and bond funds)	159,747,918	159,747,918	—	—
Total investments at estimated fair value	$ 174,180,531	$ 174,180,531	$ —	$ —

NOTE E – PLAN TERMINATION

Although it has not expressed any intent to do so, BRI has the right under the Plan document to terminate the Plan at any time, subject to the prior approval of the General Assembly of the Plan Sponsor. In the event of a plan termination, amounts maintained in participant accounts shall remain to be used by BRI to pay benefits to or on behalf of the affected participants. Alternatively, BRI can also use the balance remaining in each participant's account to purchase an annuity as defined in the Internal Revenue Code Section 403(b) for the benefit of the participant or to require payment of all benefits under this Plan in the form of lump-sum distributions. An adopting Employer may terminate participation in this Plan in accordance with rules and procedures defined by the Plan.

NOTE F – TAX STATUS

The Plan was amended and restated effective January 1, 2017. BRI and the Plan Sponsor believe that the Plan qualifies pursuant to the applicable sections of the Internal Revenue Code and operates as designed per the Plan agreement.

NOTE G – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, 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 participants' account balances and the amounts reported in the statements of net assets available for benefits (modified cash basis).