

# VILLAGE BIBLE CHURCH

Financial Statements  
With Independent Accountants' Review Report

June 30, 2024 and 2023

# VILLAGE BIBLE CHURCH

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Elders  
Village Bible Church  
Sugar Grove, Illinois

We have reviewed the accompanying financial statements of Village Bible Church, which comprise the statements of financial position - modified cash basis as of June 30, 2024 and 2023, and the related statements of activities - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of 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.

### ***Accountants' Responsibility***

Our responsibility is to conduct the review engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Village Bible Church and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### ***Accountants' Conclusion***

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

### ***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with 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 conclusion is not modified with respect to this matter.



Naperville, Illinois  
September 23, 2024

# VILLAGE BIBLE CHURCH

## Statements of Financial Position - Modified Cash Basis

	June 30,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 881,410	\$ 649,252
Restricted cash	239,175	186,139
Cash held for board designation	28,066	8,423
Prepaid expenses	4,377	133,276
Land, buildings and equipment, net	6,712,742	6,771,921
Total Assets	<u>\$ 7,865,770</u>	<u>\$ 7,749,011</u>
LIABILITIES AND NET ASSETS:		
Notes payable	<u>\$ 656,533</u>	<u>\$ 756,604</u>
Net assets:		
Without donor restrictions	6,941,996	6,797,845
Board designated- operating reserves	28,066	8,423
	<u>6,970,062</u>	<u>6,806,268</u>
With donor restrictions	<u>239,175</u>	<u>186,139</u>
Total net assets	<u>7,209,237</u>	<u>6,992,407</u>
Total Liabilities and Net Assets	<u>\$ 7,865,770</u>	<u>\$ 7,749,011</u>

See independent accountants' review report and notes to financial statements

# VILLAGE BIBLE CHURCH

## Statements of Activities - Modified Cash Basis

	Year Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 3,499,716	\$ 428,299	\$ 3,928,015	\$ 3,351,769	\$ 435,994	\$ 3,787,763
Ministry revenue and other income	147,786	-	147,786	164,172	-	164,172
Total Support and Revenue	<u>3,647,502</u>	<u>428,299</u>	<u>4,075,801</u>	<u>3,515,941</u>	<u>435,994</u>	<u>3,951,935</u>
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	<u>375,263</u>	<u>(375,263)</u>	<u>-</u>	<u>428,389</u>	<u>(428,389)</u>	<u>-</u>
EXPENSES:						
Program services	3,274,725	-	3,274,725	2,915,807	-	2,915,807
Management and general	584,246	-	584,246	555,391	-	555,391
Total Expenses	<u>3,858,971</u>	<u>-</u>	<u>3,858,971</u>	<u>3,471,198</u>	<u>-</u>	<u>3,471,198</u>
Change in Net Assets	163,794	53,036	216,830	473,132	7,605	480,737
Net Assets, Beginning of Year	<u>6,806,268</u>	<u>186,139</u>	<u>6,992,407</u>	<u>6,333,136</u>	<u>178,534</u>	<u>6,511,670</u>
Net Assets, End of Year	<u>\$ 6,970,062</u>	<u>\$ 239,175</u>	<u>\$ 7,209,237</u>	<u>\$ 6,806,268</u>	<u>\$ 186,139</u>	<u>\$ 6,992,407</u>

See independent accountants' review report and notes to financial statements

# VILLAGE BIBLE CHURCH

## Statement of Functional Expenses - Modified Cash Basis

Year Ended June 30, 2024

	Program Services	General and Administrative	Total
Salaries and Wages	\$ 1,373,090	\$ 258,181	\$ 1,631,270
Employee benefits	425,131	80,977	506,109
Payroll taxes	29,287	5,578	34,865
Missionary and agency support	281,143	-	281,143
Benevolence and counseling	80,195	121	80,316
Food and refreshments	56,686	10,797	67,483
Supplies	123,917	23,597	147,514
Depreciation	307,738	58,617	366,355
Professional services	21,627	16,074	37,701
Banking and transaction fees	-	19,594	19,594
Office supplies and equipment	46,804	10,697	57,500
Interest	25,628	4,882	30,510
Facilities, equipment and maintenance	245,092	46,684	291,776
Travel, meals and lodging	123,063	22,671	145,735
IT support services, software and supplies	43,839	8,350	52,189
Occupancy	91,486	17,426	108,911
Total Expenses	<u>\$ 3,274,725</u>	<u>\$ 584,246</u>	<u>\$ 3,858,971</u>

See independent accountants' review report and notes to financial statements

# VILLAGE BIBLE CHURCH

## Statement of Functional Expenses - Modified Cash Basis

Year Ended June 30, 2023

	Program Services	General and Administrative	Total
Salaries and Wages	\$ 1,278,565	\$ 243,536	\$ 1,522,101
Employee benefits	400,321	76,252	476,572
Payroll taxes	25,529	4,863	30,392
Missionary and agency support	229,197	43,657	272,853
Benevolence and counseling	67,361	12,831	80,191
Food and refreshments	49,711	9,469	59,179
Supplies	108,413	20,650	129,063
Depreciation	269,739	51,379	321,118
Professional services	31,839	6,064	37,903
Banking and transaction fees	10,764	2,050	12,814
Office supplies and equipment	38,205	7,277	45,482
Interest	26,514	5,050	31,564
Facilities, equipment and maintenance	179,384	34,168	213,553
Travel, meals and lodging	90,613	17,259	107,872
IT support services, software and supplies	36,511	6,954	43,465
Occupancy	73,143	13,932	87,075
Total Expenses	<u>\$ 2,915,807</u>	<u>\$ 555,391</u>	<u>\$ 3,471,198</u>

See independent accountants' review report and notes to financial statements

# VILLAGE BIBLE CHURCH

## Statements of Cash Flows - Modified Cash Basis

	Year Ended June 30,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 216,830	\$ 480,737
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	366,355	321,118
Contributions received for long-term purposes	(152,418)	(243,758)
Changes in:		
Prepaid expenses	128,899	(5,034)
Net Cash Provided by Operating Activities	<u>559,666</u>	<u>553,063</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property and equipment purchases	<u>(307,176)</u>	<u>(839,781)</u>
Net Cash Used by Investing Activities	<u>(307,176)</u>	<u>(839,781)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of debt	-	306,000
Principal payments on notes payable	(100,071)	(94,704)
Contributions received for long-term purposes	152,418	243,758
Net Cash Provided by Financing Activities	<u>52,347</u>	<u>455,054</u>
Net Change in Cash and Cash Equivalents	304,837	168,336
Cash, Cash Equivalents, Cash held for Board Designation and Restricted Cash, Beginning of Year	<u>843,814</u>	<u>675,478</u>
Cash, Cash Equivalents, Cash held for Board Designation and Restricted Cash, End of Year	<u>\$ 1,148,651</u>	<u>\$ 843,814</u>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Cash paid for interest	<u>\$ 30,510</u>	<u>\$ 31,564</u>

See independent accountants' review report and notes to financial statements



# VILLAGE BIBLE CHURCH

## Notes to Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION:

Village Bible Church of Sugar Grove, Illinois (VBC) began operations in 1971. Since then, the church has grown to include five other campuses, one in Shabonna, Illinois, two in Aurora, Illinois, one in Plano, Illinois and one in Naperville, Illinois. Village Bible Church desires to be a family of growing believers committed to glorifying God by reaching the world with the life-changing Gospel of Jesus Christ. VBC carries out that desire by focusing on discipling and equipping individuals to serve Christ and then on sending them out into our communities and around the world to impact this world for Christ and His Kingdom.

VBC is incorporated under the laws of the State of Illinois to operate as a religious corporation within the meaning of Section 501(c)(3) of the Internal Revenue Code (Code) and comparable state law. VBC is not a private foundation under Section 509 (a) of the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### **BASIS OF ACCOUNTING**

The financial statements of VBC 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. Contributions and other revenue are recognized when received rather than when unconditionally promised or earned, and expenses are recognized when paid rather than when the obligation is incurred. The modifications to the cash basis of accounting include recording of certain prepaid expenses, notes payable, and recording long-lived assets and related depreciation. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. Management makes estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies followed are described below.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consists of bank checking and savings accounts.

### **RESTRICTED CASH**

VBC maintains cash balances that are donor restricted or board designated for specific use. Board designated cash is designated for operations. Restricted cash is held for net assets with donor restrictions, see details in Note 5.

# VILLAGE BIBLE CHURCH

## Notes to Financial Statements

June 30, 2024 and 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### RESTRICTED CASH, continued

Cash, cash equivalents and restricted cash consist of the following:

	June 30,	
	2024	2023
Cash and cash equivalents	\$ 881,410	\$ 649,252
Restricted cash	239,175	186,139
Cash held for board designation	28,066	8,423
	<u>\$ 1,148,651</u>	<u>\$ 843,814</u>

#### LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment in excess of \$7,500 are capitalized at cost or, if donated, at fair market value on the date of donation. Repairs and maintenance, that neither materially add to the value of the property nor prolong its life appreciably, are charged to expense as incurred. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets ranging from three to thirty years.

#### CLASSES OF NET ASSETS

Net assets are classified in the financial statements as follows:

*Net assets without donor restrictions* are amounts currently available at the discretion of the Board for use in VBC's operations and those resources invested in land, buildings and equipment.

*Net assets with donor restrictions* are amounts which are stipulated by donors for specific operating or long-term purposes.

#### SUPPORT AND REVENUE

Contributions are recognized when received. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statements of activities - modified cash basis as net assets released from restrictions.

Gifts of fixed assets are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

# VILLAGE BIBLE CHURCH

## Notes to Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, continued

Ministry revenue is recorded when received. All expenditures are recorded when paid.

Donated property is recognized when ownership of the donated assets are transferred. Donated property is valued at the fair market value on the date of the gift. No donated property was received during the years ended June 30, 2024 and 2023.

ALLOCATION OF EXPENSES

The costs of providing various programs and supporting activities have been summarized on a functional basis in the statements of activities-modified cash basis. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses include allocated portions except for missionary and agency support and banking and transaction fees. Expenses are allocated based on estimates of time and effort.

3. LAND, BUILDINGS AND EQUIPMENT:

Land, buildings and equipment consist of the following:

	June 30,	
	2024	2023
Land	\$ 739,662	\$ 739,662
Land improvements	1,704,824	1,530,632
Buildings and improvements	7,382,970	7,256,733
Furniture and fixtures	701,794	695,047
	<u>10,529,250</u>	<u>10,222,074</u>
Less accumulated depreciation	<u>(3,816,508)</u>	<u>(3,450,153)</u>
	<u>\$ 6,712,742</u>	<u>\$ 6,771,921</u>

# VILLAGE BIBLE CHURCH

## Notes to Financial Statements

June 30, 2024 and 2023

### 4. NOTES PAYABLE:

Notes payable consist of the following:

	June 30,	
	2024	2023
VBC has a mortgage payable to a bank. The mortgage is payable in monthly payments of \$8,581, including monthly principal and interest at 3.75%, with a balloon payment due in March 2025. The mortgage is secured by VBC's real property in Sugar Grove, Illinois.	\$ 359,294	\$ 446,558
VBC has a mortgage payable to a bank. The mortgage is payable in monthly payments of \$1,293, including principal and interest at 4.85%, with final payment in July 2027. The mortgage is secured by VBC's real property in Aurora, Illinois.	149,728	157,673
VBC has a mortgage payable to a bank. The mortgage is payable in monthly payments of \$1,022, including principal and interest at 4.85%, with final payment in September 2027. The mortgage is secured by VBC's real property in Naperville, Illinois.	147,511	152,373
	<u>\$ 656,533</u>	<u>\$ 756,604</u>

The notes payable mature as follows during the year ending June 30:

2025	\$ 372,515
2026	13,907
2027	14,606
2028	255,505
	<u>\$ 656,533</u>

# VILLAGE BIBLE CHURCH

## Notes to Financial Statements

June 30, 2024 and 2023

5. NET ASSETS:

Net assets with donor restrictions are available for the following purposes:

	June 30,	
	2024	2023
Missions	\$ 139,952	\$ 92,486
Benevolence	99,223	93,653
	<u>\$ 239,175</u>	<u>\$ 186,139</u>

6. EMPLOYEE RETIREMENT PLAN:

VBC has established a 403(b) retirement plan into which employees may make elective deferrals of their compensation up to the maximum amounts allowed by law. VBC matches contributions up to 10% of salaries for qualifying employees. VBC made contributions to the plan of \$160,578 and \$150,610 for the years ended June 30, 2024 and 2023, respectively.

7. RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2024 and 2023, respectively, VBC paid \$18,324 and \$15,491 to a catering business owned by a relative of a board member. This board member is also the manager of the catering business. Additionally, VBC made donations of \$33,409 and \$32,577 to related organizations of which board members are affiliated.

# VILLAGE BIBLE CHURCH

## Notes to Financial Statements

June 30, 2024 and 2023

8. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects VBC's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year because of contractual or donor-imposed restrictions.

	June 30,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 881,410	\$ 649,252
Restricted cash	239,175	186,139
Cash held for board designation	28,066	8,423
Less those unavailable for general expenditures within one year		
With donor restrictions	(134,698)	(78,030)
Board designated- operating reserves	(22,601)	(2,024)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 991,352</u>	<u>\$ 763,760</u>

VBC structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of VBC's liquidity management, it has established guidelines for making decisions related to managing short term cash reserves in a prudent manner.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 23, 2024, which represents the date the financials statements were available to be issued. Subsequent events after that date have not been evaluated.