

VILLAGE BIBLE CHURCH

Financial Statements
With Independent Accountant's Review Report

June 30, 2025 and 2024



VILLAGE BIBLE CHURCH

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Elders
Village Bible Church
Sugar Grove, Illinois

We have reviewed the accompanying financial statements of Village Bible Church (a nonprofit organization), which comprise the statements of assets, liabilities and net assets - modified cash basis as of June 30, 2025 and 2024, and the related statements of revenues, expenses and changes in net assets - 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 entity 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.

Accountant's 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 AICPA. 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 reviews.

Accountant's 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 29, 2025

VILLAGE BIBLE CHURCH

Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis

	June 30,	
	<u>2025</u>	<u>2024</u>
ASSETS:		
Cash and cash equivalents-operating	\$ 1,313,421	\$ 1,124,962
Cash restricted for long term purposes	51,987	-
Cash held for board designations	33,895	28,066
Total cash and cash equivalents	<u>1,399,303</u>	<u>1,153,028</u>
Property and equipment, net	<u>6,408,569</u>	<u>6,712,742</u>
Total Assets	<u>\$ 7,807,872</u>	<u>\$ 7,865,770</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Debt	\$ 554,434	\$ 656,533
Total liabilities	<u>554,434</u>	<u>656,533</u>
Net assets:		
Net Assets without donor restrictions	6,932,874	6,970,062
Net Assets with donor restrictions	320,564	239,175
Total net assets	<u>7,253,438</u>	<u>7,209,237</u>
Total Liabilities and Net Assets	<u>\$ 7,807,872</u>	<u>\$ 7,865,770</u>

See independent accountant's review report and notes to financial statements

VILLAGE BIBLE CHURCH

Statements of Revenues, Expenses, and Changes in Net Assets - Modified Cash Basis

	Year Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:						
Contributions	\$ 3,699,666	\$ 338,716	\$ 4,038,382	\$ 3,445,639	\$ 428,299	\$ 3,873,938
Ministry activity and event fees	109,947	-	109,947	147,786	-	147,786
Interest income	49,931	-	49,931	25,935	-	25,935
Other income	28,730	-	28,730	28,142	-	28,142
Total Revenues	<u>3,888,274</u>	<u>338,716</u>	<u>4,226,990</u>	<u>3,647,502</u>	<u>428,299</u>	<u>4,075,801</u>
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	<u>257,327</u>	<u>(257,327)</u>	<u>-</u>	<u>375,263</u>	<u>(375,263)</u>	<u>-</u>
EXPENSES:						
Program services	3,547,249	-	3,547,249	3,274,725	-	3,274,725
General and administrative	635,540	-	635,540	584,246	-	584,246
Total Expenses	<u>4,182,789</u>	<u>-</u>	<u>4,182,789</u>	<u>3,858,971</u>	<u>-</u>	<u>3,858,971</u>
Change in Net Assets	(37,188)	81,389	44,201	163,794	53,036	216,830
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 6,932,874</u>	<u>\$ 320,564</u>	<u>\$ 7,253,438</u>	<u>\$ 6,970,062</u>	<u>\$ 239,175</u>	<u>\$ 7,209,237</u>

See independent accountant's review report and notes to financial statements

VILLAGE BIBLE CHURCH

Statement of Functional Expenses - Modified Cash Basis

Year Ended June 30, 2025

	Program Services	General and Administrative	Total
Salaries and Wages	\$ 1,522,756	\$ 284,347	\$ 1,807,103
Employee benefits	498,858	95,021	593,879
Payroll taxes	33,078	6,301	39,379
Depreciation	318,285	60,626	378,911
Missionary and agency support	308,545	-	308,545
Facilities, equipment and maintenance	235,589	44,874	280,463
Supplies	133,801	27,593	161,394
Occupancy	104,334	19,873	124,207
Travel, meals and lodging	88,331	15,939	104,270
Food and refreshments	65,779	12,529	78,308
Office supplies and equipment	61,311	15,451	76,762
Benevolence and counseling	69,613	-	69,613
IT support services, software and supplies	48,574	9,252	57,826
Professional services	34,471	19,322	53,793
Interest	23,924	4,557	28,481
Banking and transaction fees	-	19,855	19,855
Total Expenses	<u>\$ 3,547,249</u>	<u>\$ 635,540</u>	<u>\$ 4,182,789</u>

See independent accountant's 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	\$ 1,631,271
Employee benefits	425,131	80,977	506,108
Payroll taxes	29,287	5,578	34,865
Depreciation	307,738	58,617	366,355
Missionary and agency support	281,143	-	281,143
Facilities, equipment and maintenance	245,092	46,684	291,776
Supplies	123,917	23,597	147,514
Occupancy	91,486	17,426	108,912
Travel, meals and lodging	123,063	22,671	145,734
Food and refreshments	56,686	10,797	67,483
Office supplies and equipment	46,804	10,697	57,501
Benevolence and counseling	80,195	121	80,316
IT support services, software and supplies	43,839	8,350	52,189
Professional services	21,626	16,074	37,700
Interest	25,628	4,882	30,510
Banking and transaction fees	-	19,594	19,594
Total Expenses	<u>\$ 3,274,725</u>	<u>\$ 584,246</u>	<u>\$ 3,858,971</u>

See independent accountant's review report and notes to financial statements

VILLAGE BIBLE CHURCH

Statements of Cash Flows - Modified Cash Basis

	Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 44,201	\$ 216,830
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	378,911	366,355
Contributions received for long-term purposes	(108,350)	(152,418)
Changes in:		
Building deposit	-	133,276
Net Cash Provided by Operating Activities	314,762	564,043
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(74,738)	(307,176)
Net Cash Used in Investing Activities	(74,738)	(307,176)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on debt	(102,099)	(100,071)
Contributions received for long-term purposes	108,350	152,418
Net Cash Provided by Financing Activities	6,251	52,347
Net change in cash and cash equivalents	246,275	309,214
Cash and Cash Equivalents, at Beginning of Year	1,153,028	843,814
Cash and Cash Equivalents, at End of Year	\$ 1,399,303	\$ 1,153,028
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	\$ 28,481	\$ 30,510
Refinanced debt	\$ 299,276	\$ -

See independent accountant's review report and notes to financial statements

VILLAGE BIBLE CHURCH

Notes to Financial Statements

June 30, 2025 and 2024

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. The primary source of revenue to support the ongoing operations for the six campuses discussed above comes from the contributions from VBC's members and attendees.

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:

MODIFIED CASH BASIS OF ACCOUNTING

The accompanying financial statements are prepared on the modified cash basis. Revenue is reported when received instead of when earned, and expenses are reported when paid rather than when the obligation is incurred. Capital expenditures are reported as property and equipment and depreciated over expected useful lives. Debt is reported as a liability when incurred.

USE OF ESTIMATES

The preparation of the modified cash basis financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts for revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allocation of functional expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. The Church utilizes an insured deposit program to offer additional coverage on portions of its cash.

RESTRICTED CASH AND CASH HELD FOR BOARD DESIGNATIONS

Cash restricted for long term purposes represents cash held for building fund disclosed in Note 6. Cash held for board designations represents cash held for operating reserves and building reserves disclosed in Note 6.

VILLAGE BIBLE CHURCH

Notes to Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT AND DEPRECIATION

Items greater than \$7,500 are capitalized as property and equipment and reported at cost or, if donated, at fair market value on the date of donation. Repairs are expensed as incurred. Property and equipment, excluding land, are depreciated on the straight-line method over useful lives as follows: land improvements 20 to 30 years; buildings and improvements 20 to 30 years; and furniture and fixtures 5 to 10 years. The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2025 and 2024.

NET ASSETS

Net assets are classified 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 designated by the Board. See Note 6.

Net assets with donor restrictions are amounts which are stipulated by donors for specific operating or long-term purposes. See Note 6.

REVENUES

Cash contributions are recognized when received. Donated property is recognized when ownership of the donated assets is 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, 2025 and 2024. Ministry activity and event fees, interest income and other income are recognized when received.

EXPENSES

Expenses are recognized when paid. The Church's advertising (marketing) expenses paid were approximately \$18,700 and \$15,500 for the years ended June 30, 2025 and 2024, respectively. 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. Salaries, wages and benefits are allocated based on average estimates of time and effort. Facilities, equipment and maintenance, occupancy, interest and depreciation are allocated based on estimates of costs utilized. VBC incurred no joint costs for the years ended June 30, 2025 and 2024.

RECLASSIFICATIONS

Certain reclassifications were made to prior year balances to conform with current year presentation.

VILLAGE BIBLE CHURCH

Notes to Financial Statements

June 30, 2025 and 2024

3. LIQUIDITY AND FINANCIAL ASSET AVAILABILITY:

The following reflects VBC's financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	June 30,	
	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents-operating	\$ 1,313,421	\$ 1,124,962
Cash restricted for long term purposes	51,987	-
Cash held for board designations	33,895	28,066
Financial assets at year-end	<u>1,399,303</u>	<u>1,153,028</u>
Less those unavailable for general expenditures within one year		
Restricted by donor with purpose restrictions	(111,525)	(134,698)
Board designations	<u>(33,895)</u>	<u>(22,601)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,253,883</u>	<u>\$ 995,729</u>

VBC is substantially supported by contributions, which at times are received with restrictions. Those contributions with donor restrictions require resources to be used in a particular manner or in a future period. VBC must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As of June 30, 2025 and 2024, VBC had \$209,039 and \$104,477 in net assets with donor restrictions for program support, of which all were considered available to meet needs for general expenditures with one year. As part of the VBC's liquidity management, VBC has established guidelines for making decisions related to managing short term cash reserves and other investments in a prudent manner. In addition, VBC's board has designated reserves, as disclosed above, which may be released by the Board should a liquidity need arise.

VILLAGE BIBLE CHURCH

Notes to Financial Statements

June 30, 2025 and 2024

4. PROPERTY AND EQUIPMENT, NET:
Property and equipment, net consists of:

	June 30,	
	<u>2025</u>	<u>2024</u>
Land	\$ 739,662	\$ 739,662
Land improvements	1,704,824	1,704,824
Buildings and improvements	7,382,970	7,382,970
Furniture and fixtures	776,532	701,794
	<u>10,603,988</u>	<u>10,529,250</u>
Less accumulated depreciation	<u>(4,195,419)</u>	<u>(3,816,508)</u>
	<u>\$ 6,408,569</u>	<u>\$ 6,712,742</u>

VILLAGE BIBLE CHURCH

Notes to Financial Statements

June 30, 2025 and 2024

5. DEBT:

Debt consists of:

	June 30,	
	2025	2024
<p>Bank mortgage note payable has monthly payments of \$7,125, including principal and interest, with a fixed interest rate of 6.60% per annum. and matures on June 25, 2028. The mortgage was refinanced in March 2025. The mortgage is collateralized by real property in Sugar Grove, Illinois. This property has net book value of approximately \$2,931,000 as of June 30, 2025. There are no prepayment penalties for early payment of principal.</p>	\$ 270,687	\$ 359,294
<p>Bank mortgage note payable has monthly payments of \$1,293, including principal and interest, with a fixed interest at 4.85% per annum, with final payment of approximately \$124,000 due on July 15, 2027. The mortgage is collateralized by real property in Aurora, Illinois. This property has net book value of approximately \$936,000 as of June 30, 2025. There are no prepayment penalties for early payment of principal.</p>	141,362	149,728
<p>Bank mortgage note payable has monthly payments of \$1,022, including principal and interest, with a fixed interest at 4.85% per annum, with final payment of approximately \$131,000 due on September 15, 2027. The mortgage is collateralized by real property in Naperville, Illinois. This property has net book value of approximately \$1,085,000 as of June 30, 2025. There are no prepayment penalties for early payment of principal.</p>	142,385	147,511
	\$ 554,434	\$ 656,533

Certain bank notes above contain various covenants pertaining to, but not limited to timely monthly payments, adverse changes in financial condition, financial statements provided upon request, insurance maintained on collateral, no cross-default on other debt, no ownership change greater than 25%, and no pending litigation/judgments greater than \$25,000. Management believes VBC was compliant with these requirements as of June 30, 2025 and 2024.

Debt matures as follows during the years ending June 30:

2025	\$ 96,709
2026	104,579
2027	226,732
2028	126,414
-11-	\$ 554,434

VILLAGE BIBLE CHURCH

Notes to Financial Statements

June 30, 2025 and 2024

6. NET ASSETS:

Net assets consist of:

	June 30,	
	2025	2024
Without donor restrictions:		
Undesignated	\$ 6,898,979	\$ 6,941,996
Board designated for operating reserves	17,028	28,066
Board designated for building reserves	16,867	-
	<u>\$ 6,932,874</u>	<u>\$ 6,970,062</u>
With donor restrictions:		
Missions	\$ 173,580	\$ 139,952
Benevolence	94,997	99,223
Building	51,987	-
	<u>\$ 320,564</u>	<u>\$ 239,175</u>

7. 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 approximately \$180,100 and \$160,600 for the years ended June 30, 2025 and 2024, respectively.

8. RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2025 and 2024, respectively, VBC paid approximately \$17,400 and \$15,500 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 approximately \$21,600 and \$33,400 to related organizations of which board members are affiliated.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 29, 2025, which represents the date the financials statements were available to be issued. Subsequent events after that date have not been evaluated.