

CHICAGO CHURCH OF CHRIST

Financial Statements
With Independent Auditors' Report

December 31, 2024 and 2023

CHICAGO CHURCH OF CHRIST

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Chicago Church of Christ
Chicago, Illinois

Opinion

We have audited the accompanying financial statements of Chicago Church of Christ, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows 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 financial position of Chicago Church of Christ as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chicago Church of Christ 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 opinion.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chicago Church of Christ's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Chicago Church of Christ
Chicago, Illinois

Auditors' 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 auditors' 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 include 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 Chicago Church of Christ'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 Chicago Church of Christ's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance 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.

Capin Crouse LLC

Naperville, Illinois
June 18, 2025

CHICAGO CHURCH OF CHRIST

Statements of Financial Position

	December 31,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 2,747,219	\$ 2,967,430
Restricted cash	381,639	344,200
Receivables	6,695	14,063
Prepaid expenses	100,106	87,042
Deposits	33,075	31,325
Right-of-use operating assets	204,805	305,100
Fixed assets, net	159,504	178,408
Total Assets	\$ 3,633,043	\$ 3,927,568
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 48,868	\$ 35,163
Operating lease obligations	210,565	310,140
Total liabilities	259,433	345,303
Net assets:		
Net assets without donor restrictions	2,991,971	3,238,065
Net assets with donor restrictions	381,639	344,200
Total net assets	3,373,610	3,582,265
Total Liabilities and Net Assets	\$ 3,633,043	\$ 3,927,568

See notes to financial statements

CHICAGO CHURCH OF CHRIST

Statements of Activities

	Year Ended December 31,					
	2024			2023		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE:						
Weekly contributions	\$ 4,348,088	\$ -	\$ 4,348,088	\$ 4,542,098	\$ -	\$ 4,542,098
Missions contributions - international	675,542	-	675,542	674,163	-	674,163
Charity and relief contributions	82,845	-	82,845	84,508	-	84,508
Missions contributions - domestic	103,358	103,369	206,727	131,979	99,483	231,462
Other donations	100,097	43,323	143,420	69,793	39,221	109,014
Event revenue	302,447	-	302,447	527,429	-	527,429
Other revenue	99,341	-	99,341	56,793	-	56,793
Total Support and Revenue	5,711,718	146,692	5,858,410	6,086,763	138,704	6,225,467
RECLASSIFICATIONS:						
Net assets released from restriction upon satisfaction of purpose	109,253	(109,253)	-	153,327	(153,327)	-
EXPENSES:						
Program services:						
Ministry	4,832,472	-	4,832,472	5,376,646	-	5,376,646
Missions	881,639	-	881,639	930,050	-	930,050
Supporting activities						
General and administrative	352,954	-	352,954	344,726	-	344,726
Total Expenses	6,067,065	-	6,067,065	6,651,422	-	6,651,422
Change in Net Assets	(246,094)	37,439	(208,655)	(411,332)	(14,623)	(425,955)
Net Assets, Beginning of Year	3,238,065	344,200	3,582,265	3,649,397	358,823	4,008,220
Net Assets, End of Year	\$ 2,991,971	\$ 381,639	\$ 3,373,610	\$ 3,238,065	\$ 344,200	\$ 3,582,265

See notes to financial statements

CHICAGO CHURCH OF CHRIST

Statements of Functional Expenses

Year Ended December 31,								
2024					2023			
	Ministry	Missions	General and Administrative	Total	Ministry	Missions	General and Administrative	Total
Staff salaries & related expenses	\$ 3,355,728	\$ -	\$ 312,938	\$ 3,668,666	\$ 3,692,975	\$ -	\$ 309,159	\$ 4,002,134
Facilities	590,224	3,676	2,148	596,048	759,188	437	2,148	761,773
Support to affiliates: EMS	-	650,000	-	650,000	-	650,000	-	650,000
Food	197,876	15,698	-	213,574	332,971	6,878	19	339,868
Donation to affiliates: MMA	-	178,000	-	178,000	-	183,000	-	183,000
Transportation & lodging	124,754	13,349	2,160	140,263	133,799	18,780	2,184	154,763
Charity & relief	179,296	-	-	179,296	137,421	-	-	137,421
Supplies, equipment & other	147,761	368	4,513	152,642	167,007	955	2,585	170,547
Technology	28,469	-	4,100	32,569	38,050	-	4,392	42,442
Telephone & utilities	17,945	249	2,898	21,092	16,796	-	2,923	19,719
Staff training: tuition & fees	12,300	20,250	1,474	34,024	14,062	70,000	732	84,794
Professional fees	100,985	-	21,852	122,837	4,865	-	20,190	25,055
Books, materials, & resources	15,674	49	438	16,161	9,234	-	169	9,403
Honoraria	20,212	-	-	20,212	23,813	-	-	23,813
Maintenance & insurance	15,257	-	200	15,457	12,751	-	-	12,751
Postage & printing	5,304	-	233	5,537	7,554	-	205	7,759
Depreciation	18,904	-	-	18,904	24,093	-	-	24,093
Other	1,783	-	-	1,783	2,067	-	20	2,087
Total Expenses	<u>\$ 4,832,472</u>	<u>\$ 881,639</u>	<u>\$ 352,954</u>	<u>\$ 6,067,065</u>	<u>\$ 5,376,646</u>	<u>\$ 930,050</u>	<u>\$ 344,726</u>	<u>\$ 6,651,422</u>

See notes to financial statements

CHICAGO CHURCH OF CHRIST

Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (208,655)	\$ (425,955)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	18,904	24,093
Cash in excess of lease expense	720	720
Change in:		
Receivables	7,368	(2,736)
Prepaid expenses	(13,064)	7,244
Deposits	(1,750)	24,592
Accounts payable and accrued expenses	13,705	(56,940)
Contributions restricted for long term purposes	(27,186)	(39,221)
Net Cash Used by Operating Activities	<u>(209,958)</u>	<u>(468,203)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	-	(3,400)
Net Cash Used by Operating Activities	<u>-</u>	<u>(3,400)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long term purposes	27,186	39,221
Net Cash Provided by Financing Activities	<u>27,186</u>	<u>39,221</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	(182,772)	(432,382)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	<u>3,311,630</u>	<u>3,744,012</u>
Cash, Cash Equivalents and Restricted Cash, End of Year	<u>\$ 3,128,858</u>	<u>\$ 3,311,630</u>
Cash, Cash Equivalents and Restricted Cash		
Cash and cash equivalents	\$ 2,747,219	\$ 2,967,430
Restricted cash	<u>381,639</u>	<u>344,200</u>
Total Cash, Cash Equivalents and Restricted Cash	<u>\$ 3,128,858</u>	<u>\$ 3,311,630</u>

See notes to financial statements

CHICAGO CHURCH OF CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

1. NATURE OF ORGANIZATION:

Chicago Church of Christ (the Church) is an Illinois nonprofit corporation dedicated to spreading the Gospel through establishing, developing and promoting all aspects of church ministry. The Church was established in 1982. The local church mission reaches throughout the Chicago metropolitan area through geographic regions. The Church also extends aid and support to various foreign missions and other domestic Churches of Christ. The Church is supported primarily through contributions from the congregation.

The Church has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from income tax under Section 501(a) of the U.S. Internal Revenue Code (Code) as an organization described in Section 501(c)(3), and contributions to the Church are tax deductible within the limitations prescribed by the Code. The organization is not a private foundation under Section 509(a) of the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Church are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash include checking and savings accounts and other depository accounts with maturities of less than three months. At December 31, 2024 and 2023, the Church's cash balances exceeded federally insured limits by \$1,860,216 and \$1,997,183, respectively.

PREPAID EXPENSES

Prepaid expenses consist primarily of prepaid insurance expense and prepaid expenses related to Church events.

DEPOSITS

Deposits consist primarily of rental deposits for leased space and deposits for rental of space related to Church events.

FIXED ASSETS

Fixed assets in excess of \$3,000 are capitalized at cost, or if donated, at the fair market value on the date of the gift. Repairs and maintenance that neither materially add to the value of the property nor appreciably prolong its life 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 two to thirty 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 December 31, 2024 or 2023.

CHICAGO CHURCH OF CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The financial statements report amounts separately by classes of net assets:

Net assets without donor restrictions are those currently available for ministry purposes under the direction of the Board and those invested in fixed assets.

Net assets with donor restrictions are those contributed with donor stipulations for specific operating purposes or programs. They are not currently available for use in the Church's ministries until commitments regarding their use have been fulfilled.

REVENUES AND EXPENSES

Contributions are recognized when made. 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 as net assets released from restrictions. It is the Church's policy to report all contributions with donor restrictions whose restrictions have been met in the reporting period received as contributions without donor 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.

Special events revenue consists of events outside of normal worship and devotional meetings, such as banquets, camps and retreats and is recorded when earned. Other income is recorded when earned. All expenses are recorded when incurred in accordance with the accrual basis of accounting.

CONTRIBUTED SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time to the Church. These volunteers have a significant impact on making the ministry effective. However, the value of these services is not reflected in the financial statements because it does not meet the definition of donated services required to be recorded.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are recorded when incurred. The costs of providing various program services and supporting activities have been presented on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited on the statements of activities. These expenses include facilities, and salaries and benefits. Facilities is based on a square footage basis and salaries and benefits are based on estimates of time and effort.

CHICAGO CHURCH OF CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

3. FIXED ASSETS:

Fixed assets consist of the following:

	December 31,	
	2024	2023
Land	\$ 21,191	\$ 21,191
Building and improvements	207,320	207,320
Office furniture and equipment	221,198	221,198
	449,709	449,709
Less accumulated depreciation	(290,205)	(271,301)
	<u>\$ 159,504</u>	<u>\$ 178,408</u>

4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	December 31,	
	2024	2023
Building fund	\$ 262,133	\$ 234,947
Midwest Missions Alliance	103,369	99,483
Benevolence	16,137	9,770
	<u>\$ 381,639</u>	<u>\$ 344,200</u>

5. RETIREMENT BENEFITS PLAN:

The Church participates in a 403(b) Tax Sheltered Annuity (TSA) retirement plan. The total amount contributed to the TSA on behalf of eligible employees (including employee elective deferrals) during 2024 and 2023 was \$272,525 and \$305,155, respectively. The portion contributed by the Church was \$162,200 and \$178,430 for the years ended December 31, 2024 and 2023, respectively.

CHICAGO CHURCH OF CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

6. OPERATING LEASE - RIGHT OF USE ASSETS AND OBLIGATIONS:

The Church leases multiple locations for ministry and worship services under a noncancellable lease expiring in 2026. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The lease ending in 2026 requires monthly payments ranging from \$8,600 to \$9,000.

	December 31,	
	2024	2023
Operating lease right-of-use assets	\$ 204,805	\$ 305,100
Operating lease liabilities	\$ 210,565	\$ 310,140
Operating lease costs	\$ 103,920	\$ 129,920
Weighted-average discount rate	1.37%	1.37%
Weighted-average remaining lease term	2.00 years	3.00 years

Future minimum lease payments required under operating leases that have an initial or remaining non-cancellable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	<u>Operating leases</u>
2025	\$ 105,600
2026	108,000
	<u>213,600</u>
Less imputed interest	<u>(3,035)</u>
	<u><u>\$ 210,565</u></u>

7. RELATED PARTY TRANSACTIONS:

The Church makes financial contributions to the European Missions Society, a 501(c)(3) organization. Three current employees and one former Elder of the Church also serve as board members for the European Missions Society. During the years ended December 31, 2024 and 2023, the Church incurred donation expenses of \$650,000 to the European Missions Society.

Approximately \$328,000 and \$144,000 of contribution revenue was received from related parties, including certain board members of the Board or Directors, for the years ended December 31, 2024 and 2023, respectively.

CHICAGO CHURCH OF CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

8. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects the Church's financial assets as of December 31, 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, contractual or donor-imposed restrictions, or because the governing board has set aside the funds for specific contingency reserves and projects. These board designations could be drawn upon if the board approves such action.

	December 31,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 2,747,219	\$ 2,967,430
Restricted cash	381,639	344,200
Receivables	6,695	14,063
Financial assets, at year-end	<u>3,135,553</u>	<u>3,325,693</u>
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed purpose restrictions	<u>(381,639)</u>	<u>(344,200)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,753,914</u>	<u>\$ 2,981,493</u>

The Church structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The funds are immediately available to fund operating and funding requirements.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 18, 2025, which represents the date the financial statements were available to be issued.