EISNERAMPER
ACCOUNTANTS & ADVISORS

THE NEW YORK CITY CHURCH OF CHRIST, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2014 and 2013

EISNERAMPER
ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The New York City Church of Christ, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of The New York City Church of Christ, Inc. (the "Church"), which are comprised of the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Church's 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.

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 organization'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 organization'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 New York City Church of Christ, Inc. as of December 31, 2014 and 2013, 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.

EisnerAmper LLP

New York, New York
June 1, 2015

THE NEW YORK CITY CHURCH OF CHRIST, INC.

Statements of Financial Position

	December 31, 2014	December 31, 2013
ASSETS		
Cash and cash equivalents	**$ 601,299**	$ 709,740
Investments	**1,495,901**	1,428,452
Receivables and other assets	**206,925**	164,710
Property and equipment, net	**35,665**	38,643
Beneficial interest in a charitable lead annuity trust	**570,926**	597,366
	$ 2,910,716	$ 2,938,911
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	**$ 182,211**	$ 158,291
Deferred revenue	**39,196**	29,028
	221,407	187,319
Commitments (Note G)		
Net assets:		
Unrestricted	**727,850**	826,375
Unrestricted - board-designated	**1,034,880**	1,034,880
Total unrestricted net assets	**1,762,730**	1,861,255
Temporarily restricted	**926,579**	890,337
Total net assets	**2,689,309**	2,751,592
	$ 2,910,716	$ 2,938,911

THE NEW YORK CITY CHURCH OF CHRIST, INC.

Statements of Activities

	Year Ended December 31,					
	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue:						
Weekly contributions	**$ 5,452,643**		**$ 5,452,643**	$ 5,321,367		$ 5,321,367
Mission contributions		**$ 675,600**	**675,600**		$ 680,600	680,600
Special contributions	**397,763**		**397,763**	306,278		306,278
Other contributions	**104,253**	**121,038**	**225,291**	120,693	141,642	262,335
Benevolence		**275,604**	**275,604**		258,508	258,508
Investment income	**8,428**		**8,428**	14,598		14,598
Special events fee income	**258,540**		**258,540**	489,951		489,951
Charitable trust contributions		**22,905**	**22,905**		23,982	23,982
Total public support and revenue before net assets released from restrictions	**6,221,627**	**1,095,147**	**7,316,774**	6,252,887	1,104,732	7,357,619
Net assets released from restrictions - satisfaction of program restrictions	**1,058,905**	**(1,058,905)**	**0**	1,279,722	(1,279,722)	0
Total public support and revenue	**7,280,532**	**36,242**	**7,316,774**	7,532,609	(174,990)	7,357,619
Expenses:						
Ministry	**6,499,857**		**6,499,857**	6,957,108		6,957,108
Administration	**879,200**		**879,200**	831,303		831,303
Total expenses	**7,379,057**		**7,379,057**	7,788,411		7,788,411
Change in net assets	**(98,525)**	**36,242**	**(62,283)**	(255,802)	(174,990)	(430,792)
Net assets - beginning of year	**1,861,255**	**890,337**	**2,751,592**	2,117,057	1,065,327	3,182,384
Net assets - end of year	**$ 1,762,730**	**$ 926,579**	**$ 2,689,309**	$ 1,861,255	$ 890,337	$ 2,751,592

See notes to financial statements

THE NEW YORK CITY CHURCH OF CHRIST, INC.

Statements of Cash Flows

	Year Ended December 31, 2014	Year Ended December 31, 2013
Cash flows from operating activities:		
Change in net assets	**$ (62,283)**	$ (430,792)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
In-kind contribution of equipment		(3,000)
Depreciation	**18,832**	21,577
Donated securities	**(15,273)**	(10,326)
Proceeds from donated securities	**15,273**	10,326
Net unrealized and realized loss on investments	**12,544**	7,433
Changes in:		
Receivables and other assets	**(42,215)**	(29,225)
Beneficial interest in a charitable lead annuity trust	**26,440**	
Accounts payable and accrued liabilities	**23,920**	(43,169)
Deferred revenue	**10,168**	22,508
Net cash used in operating activities	**(12,594)**	(454,668)
Cash flows from investing activities:		
Proceeds from the maturity of investments	**1,848,202**	2,180,000
Purchases of investments	**(1,928,195)**	(1,436,174)
Purchases of property and equipment	**(15,854)**	(12,803)
Net cash (used in) provided by investing activities	**(95,847)**	731,023
Net change in cash and cash equivalents	**(108,441)**	276,355
Cash and cash equivalents - beginning of year	**709,740**	433,385
Cash and cash equivalents - end of year	**$ 601,299**	$ 709,740
Supplemental disclosure of cash flow information:		
Donated equipment	**$ 0**	$ 3,000

See notes to financial statements

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

The New York City Church of Christ, Inc. (the "Church") is a nondenominational church. The Church was established and incorporated under the laws of the State of New York in 1983 and currently ministers to the New York/New Jersey metropolitan area, as well as to foreign missions, as needed.

As a religious organization, the Church is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws.

[2] Basis of accounting:

The accompanying financial statements of the Church have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

[3] Cash and cash equivalents:

For financial reporting purposes, the Church considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At times, such investments may exceed federally insured limits.

[4] Investments:

Investments consist of certificates of deposit that are carried at fair value, with realized and unrealized gains and losses included in the accompanying statements of activities. Donated securities are recorded at their fair values on the dates of donation. It is the Church's policy to sell all donated securities within a reasonable period.

[5] Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from those estimates.

[6] Property and equipment:

Property and equipment are recorded at cost and depreciated over estimated useful lives of five years for furniture and equipment. Leasehold improvements are depreciated over the life of the lease, and computer equipment is depreciated over three years, using the straight-line method.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes annually any impairment cost basis. Long-lived assets were tested for impairments as of December 31, 2014 and 2013, respectively, and, in the opinion of management, there were no impairments. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Net assets:

Net assets of the Church are classified and reported as follows:

(i) Unrestricted and board-designated:

Unrestricted net assets represent resources that are not subject to donor-imposed restrictions. Included in unrestricted net assets are unrestricted amounts that have been appropriated or designated by the Church's Board of Trustees for specific or general purposes.

(ii) Temporarily restricted:

Temporarily restricted net assets represent those resources that have been restricted by donors for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose-restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the accompanying statements of activities as net assets released from restrictions.

[8] Support and revenue:

Contributions are recorded as revenue upon the receipt of cash or securities. Contributions are considered available for unrestricted use, unless specifically restricted by the donor, and consist of the following categories:

Weekly contributions - Donations from Church members at regular weekly services. Weekly contributions are used for general operations, as well as for special programs of the Church.

Missions contributions - Donations from Church members which are designated for specific domestic and foreign mission churches and programs.

Special contributions - Donations from Church members which are for selective programs within the Church.

Special events fee income - Registration fees for various ministry special events, such as youth camps, marriage seminars, campus retreats and singles events. Amounts received in advance of the services performed are recorded as deferred revenue.

Benevolence - Donations from Church members which are designated for the poor and needy through financial or material assistance.

Other revenue - Revenue from interest income and miscellaneous member donations. The revenue is used to support general operations and special ministries within the Church.

Donated securities - Donated securities are recorded at their fair values as of the dates of donation. The Church's policy is to sell all donated securities immediately.

[9] Functional allocation of expenses:

The costs of providing the Church's program and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the program and supporting services in ratios determined by management (see Note H).

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] Income taxes:

The Church is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes,* relating to the accounting and reporting for uncertainty in income taxes. Because of the Church's general tax-exempt status, ASC 740 has not had, and is not expected to have, a material impact on the Church's financial statements.

[11] Fair value measurements:

The Church is subject to the FASB's ASC Topic 820, *Fair Value Measurements and Disclosures* relating to a fair-value measurement. Accordingly, the Church reports a fair-value measurement of all applicable financial assets and liabilities, including investments, receivables and short-term payables.

[12] Subsequent events:

The Church considers all of the accounting treatments and related disclosures in the current year's financial statements that may be required as the result of all events or transactions that occur after the calendar year-end through June 1, 2015, the date the financial statements were available to be issued.

[13] Reclassification:

Certain information in the 2013 financial statements has been reclassified to conform to the accompanying 2014 presentation.

NOTE B - INVESTMENTS

At each year-end, investments consisted of certificates of deposit with a cost and fair value of $1,499,369 and $1,495,901, respectively, at December 31, 2014, and a cost and fair value of $1,436,174 and $1,428,452, respectively, at December 31, 2013.

For each year, investment income consisted of the following:

	Year Ended December 31,	
	2014	**2013**
Interest and dividends	**$ 20,972**	$ 22,031
Net unrealized and realized loss	**(12,544)**	(7,433)
	$ 8,428	$ 14,598

ASC Topic 820 establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1 - Valuations are based on observable inputs that reflect quoted market prices in active markets for those investments, or similar investments, at the reporting date.

NOTE B - INVESTMENTS (CONTINUED)

Level 2 - Valuations are based on (i) quoted prices for those investments, or similar investments, in active markets, or (ii) quoted prices for those investments, or similar investments in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include those investments that are redeemable at or near the balance sheet date and for which a model was derived for valuation.

Level 3 - Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments, or (ii) the investments cannot be independently valued, or (iii) the investments cannot be immediately redeemed at or near the reporting date.

The Church's investments are included entirely in Level 1 of the fair-value hierarchy.

NOTE C - PROPERTY AND EQUIPMENT

At each year-end, the Church's property and equipment consisted of the following:

	December 31,	
	2014	**2013**
Furniture and equipment	**$ 199,391**	$ 203,797
Leasehold improvements	**62,422**	62,422
	261,813	266,219
Less accumulated depreciation	**(226,148)**	(227,576)
	$ 35,665	$ 38,643

Depreciation expense for 2014 and 2013 was $18,832 and $21,577, respectively. During 2014 and 2013, the Church wrote off fully depreciated leasehold improvements and equipment of $20,260 and $54,808, respectively.

NOTE D - BENEFICIAL INTEREST IN A CHARITABLE LEAD ANNUITY TRUST

On December 31, 2010, the Church became the beneficiary of an irrevocable charitable lead annuity trust ("the Trust"). Under the Trust agreement, the Church is estimated to receive annual annuity payments of $50,400, payable quarterly, for twenty years. The funds in the Trust are managed by an unrelated trustee and represent an interest in a limited partnership. During 2014 and 2013, the Church recognized contribution revenue from the Trust agreement of approximately $23,000 and $24,000, respectively, representing the amortization of the present value of the estimated future annuity payments, using a discount rate of 4%. The 2013 actual annuity payments of approximately $50,000 were received during 2014; however, the annuity payments related to 2014 have not been received. The estimated fair value as of December 31, 2014 and 2013 is approximately $571,000 and $597,000, respectively.

The beneficial interest in a charitable lead annuity trust is included in Level 3 of the fair-value hierarchy.

NOTE D - BENEFICIAL INTEREST IN A CHARITABLE LEAD ANNUITY TRUST (CONTINUED)

The following table summarizes the change in fair values of the Church's Level 3 asset at December 31, 2014:

	2014
Balance at January 1	$ 597,366
Interest income	23,982
Payments received	(50,422)
Balance at December 31	$ 570,926

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

At each year-end, temporarily restricted net assets were available to satisfy the following purposes:

	December 31,	
	2014	**2013**
Specific programs:		
Missions	**$ 311,987**	$ 191,712
Adoption activities	**10,280**	10,280
Children's programs	**10,481**	3,866
Ministry activities		63,131
Time-restricted:		
Charitable trust (Note D)	**570,926**	597,366
Interest receivable (charitable trust)	**22,905**	23,982
	$ 926,579	$ 890,337

During each year, net assets released from restrictions consisted of the following:

	Year Ended December 31,	
	2014	**2013**
Specific programs:		
Missions	**$ 647,421**	$ 695,041
Ministry activities	**63,131**	274,261
Benevolence	**275,604**	258,508
Children's programs	**22,327**	15,390
Building fund		36,522
Time restricted:		
Charitable trust (Note D)	**50,422**	
	$ 1,058,905	$ 1,279,722

NOTE F - RETIREMENT PLAN

The Church sponsors a tax-deferred annuity retirement plan under Section 403(b) of the Internal Revenue Code. Employer contributions to the plan for 2014 and 2013 were $81,617 and $75,118, respectively.

NOTE G - COMMITMENTS

In April 2013, the Church entered into a lease agreement for property at 400 Plaza Drive, Secaucus, New Jersey, for use as its corporate headquarters. The lease expires in November 2018 and requires monthly payments of approximately $3,900, increasing annually through November 2018.

For years subsequent to 2014, minimum future rental commitments under the lease agreements, including the new corporate headquarters lease, are expected to be as follows:

Year Ending December 31,	Amount
2015	$ 48,301
2016	49,245
2017	50,189
2018	42,480
	$ 190,215

Rental expense for administrative offices for 2014 and 2013 was $50,915 and $48,209, respectively.

In addition, in order to conduct its weekly services, the Church has entered into short-term lease agreements for the use of various facilities throughout the New York/New Jersey metropolitan area. Rent expense for these facilities for 2014 and 2013 amounted to $1,093,994 and $1,284,616, respectively.

During 2014, the Church entered into several severance agreements with former employees. At December 31, 2014, approximately $35,000 of the remaining amounts due under the agreements were accrued and subsequently paid. In addition, subsequent to December 31, 2014, the Church entered into two additional agreements with former employees.

NOTE H - SCHEDULE OF FUNCTIONAL EXPENSES

The Church has functionalized its expenses into two categories, ministry and administration.

Ministry expenses are costs directly incurred as the Church ministers to the New York/New Jersey metropolitan area. This category of expenses includes minister salaries, benefits, professional reimbursement of ministry-related expenses, facility rental fees, and contributions to other charitable organizations. In addition, various special-event fee income related to youth camps, marriage seminars, campus retreats and singles events is recorded as ministry expenses. Ministry expenses also included immaterial fund-raising expenses in 2014 and 2013.

NOTE H - SCHEDULE OF FUNCTIONAL EXPENSES (CONTINUED)

Expenses were allocated to functional categories as follows:

	Year Ended December 31,					
	2014			2013		
	Ministry	**Administration**	**Total**	**Ministry**	**Administration**	**Total**
Salaries	**$ 2,012,167**	**$ 499,238**	**$ 2,511,405**	$ 1,964,229	$ 486,770	$ 2,450,999
Parsonage	**817,991**		**817,991**	803,435		803,435
Payroll tax	**75,106**	**34,708**	**109,814**	73,926	33,454	107,380
Pension	**71,581**	**10,036**	**81,617**	66,168	8,950	75,118
Benefits	**422,446**	**90,174**	**512,620**	411,491	62,395	473,886
Rent	**1,093,994**	**50,915**	**1,144,909**	1,284,616	48,209	1,332,825
Insurance		**72,310**	**72,310**		60,115	60,115
Professional fees		**33,847**	**33,847**		33,509	33,509
Bank charges		**17,985**	**17,985**		18,557	18,557
Telephone and utilities	**3,077**	**6,682**	**9,759**	4,148	7,518	11,666
Supplies	**91,529**	**20,627**	**112,156**	95,727	29,974	125,701
Depreciation		**18,832**	**18,832**		21,577	21,577
Other	**88,257**	**23,373**	**111,630**	133,494	13,749	147,243
Ministry expenses:						
Professional ministry expenses	**251,771**		**251,771**	253,397		253,397
Special events	**263,986**		**263,986**	453,575		453,575
Recruitment	**2,650**		**2,650**	296		296
Missions	**622,421**		**622,421**	672,108		672,108
Benevolence	**305,624**		**305,624**	242,298	93	242,391
Youth worker screening	**24,936**		**24,936**			
Education and training	**101,364**	**473**	**101,837**	75,129	6,433	81,562
Regional ministry development	**250,957**		**250,957**	423,071		423,071
	$ 6,499,857	**$ 879,200**	**$ 7,379,057**	$ 6,957,108	$ 831,303	$ 7,788,411

NOTE I - CONCENTRATION OF CREDIT RISK

The Church maintains its cash and investments in high-credit-quality financial institutions in amounts which, at times, may exceed federally insured limits. Management believes that the Church is not exposed to any significant risk of loss due to the failure of the financial institutions.