

NEW YORK CITY CHURCH OF CHRIST, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024



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**NEW YORK CITY CHURCH OF CHRIST, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
New York City Church of Christ, Inc.
Secaucus, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New York City Church of Christ, Inc. (a New York corporation) (the Church), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of New York City Church of Christ, Inc. as of December 31, 2025 and 2024, 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 (GAAS). 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 the Church 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.

Emphasis-of-Matter

As discussed in Note 11 to the financial statements, the entity has suffered recurring losses from operations, excluding one-time revenue sources. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 11. 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 the 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 the Church's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

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 GAAS 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 GAAS, 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 the Church'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 Church'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.



CliftonLarsonAllen LLP

Livingston, New Jersey
August 25, 2026

NEW YORK CITY CHURCH OF CHRIST, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 396,574	\$ 235,467
Investments, at Fair Value	2,229,214	1,697,354
Accounts Receivable	4,404	925
Grants Receivable	444	601,806
Prepaid Expenses	87,883	121,341
Beneficial Interest in a Charitable Lead Annuity Trust	286,992	338,567
Right-of-Use Asset - Operating Lease	63,931	164,062
Property and Equipment, Net	<u>12,711</u>	<u>22,414</u>
Total Assets	<u><u>\$ 3,082,153</u></u>	<u><u>\$ 3,181,936</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 119,981	\$ 180,599
Lease Liability	63,771	165,040
Deferred Revenue	768	6,340
Funds Received in Advance	<u>-</u>	<u>24,110</u>
Total Liabilities	184,520	376,089
NET ASSETS		
Without Donor Restrictions:		
Undesignated	1,101,620	790,166
Board-Designated	<u>1,050,000</u>	<u>1,050,000</u>
Total Without Donor Restrictions	2,151,620	1,840,166
With Donor Restrictions:		
Purpose and Time Restrictions	<u>746,013</u>	<u>965,681</u>
Total Net Assets	<u><u>2,897,633</u></u>	<u><u>2,805,847</u></u>
Total Liabilities and Net Assets	<u><u>\$ 3,082,153</u></u>	<u><u>\$ 3,181,936</u></u>

See accompanying Notes to Financial Statements.

NEW YORK CITY CHURCH OF CHRIST, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Weekly Contributions	\$ 5,652,642	\$ -	\$ 5,652,642
Mission Contributions	-	983,416	983,416
Special Contributions	100,000	-	100,000
Other Contributions	12,227	75,515	87,742
Benevolence	-	260,324	260,324
Investment Gains	233,357	-	233,357
Events Fee Income	338,888	-	338,888
Change in Value of Beneficial Interest in a Charitable Lead Annuity Trust	-	7,726	7,726
Net Assets Released from Restrictions	1,546,649	(1,546,649)	-
Total Support and Revenue	<u>7,883,763</u>	<u>(219,668)</u>	<u>7,664,095</u>
EXPENSES			
Program Services			
Ministry	6,770,144	-	6,770,144
Supporting Services			
General and Administrative	802,165	-	802,165
Total Expenses	<u>7,572,309</u>	<u>-</u>	<u>7,572,309</u>
CHANGE IN NET ASSETS	311,454	(219,668)	91,786
Net Assets - Beginning of Year	<u>1,840,166</u>	<u>965,681</u>	<u>2,805,847</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,151,620</u></u>	<u><u>\$ 746,013</u></u>	<u><u>\$ 2,897,633</u></u>

See accompanying Notes to Financial Statements.

NEW YORK CITY CHURCH OF CHRIST, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Weekly Contributions	\$ 5,418,967	\$ -	\$ 5,418,967
Mission Contributions	-	995,000	995,000
Special Contributions	100,000	-	100,000
Other Contributions	365	48,094	48,459
Benevolence	-	255,374	255,374
Investment Gains	115,683	-	115,683
Events Fee Income	450,865	-	450,865
Change in Value of Beneficial Interest in a Charitable Lead Annuity Trust	-	9,397	9,397
Net Assets Released from Restrictions	1,453,952	(1,453,952)	-
Total Support and Revenue	7,539,832	(146,087)	7,393,745
EXPENSES			
Program Services			
Ministry	7,590,760	-	7,590,760
Supporting Services			
General and Administrative	864,833	-	864,833
Total Expenses	8,455,593	-	8,455,593
CHANGE IN NET ASSETS	(915,761)	(146,087)	(1,061,848)
Net Assets - Beginning of Year	2,755,927	1,111,768	3,867,695
NET ASSETS - END OF YEAR	<u>\$ 1,840,166</u>	<u>\$ 965,681</u>	<u>\$ 2,805,847</u>

See accompanying Notes to Financial Statements.

NEW YORK CITY CHURCH OF CHRIST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Supporting Services	
	Ministry	General and Administrative	Total
Salaries and Parsonage	\$ 2,804,540	\$ 312,115	\$ 3,116,655
Payroll Taxes and Employee Benefits	933,502	186,140	1,119,642
Rent	779,825	37,186	817,011
Insurance	-	94,792	94,792
Professional Fees	45,912	91,068	136,980
Telephone and Utilities	47,863	2,648	50,511
Youth Worker Screening	12,275	-	12,275
Supplies	78,323	534	78,857
Donations to Others	1,429,265	-	1,429,265
Gifts and Honoraria	18,602	-	18,602
Information Technology	32,078	8,623	40,701
Travel, Meals, and Lodging	561,055	926	561,981
Printing, Postage, and Shipping	2,126	1,160	3,286
Bank and Online Charges	17,771	55,904	73,675
Miscellaneous Expenses	7,007	-	7,007
Total Expenses by Function	<u>6,770,144</u>	<u>791,096</u>	<u>7,561,240</u>
Less: Accumulated Depreciation and Amortization	<u>-</u>	<u>11,069</u>	<u>11,069</u>
Total Expenses Included in the Expense Section on the Statement of Activities and Changes in Net Assets	<u><u>\$ 6,770,144</u></u>	<u><u>\$ 802,165</u></u>	<u><u>\$ 7,572,309</u></u>

See accompanying Notes to Financial Statements.

NEW YORK CITY CHURCH OF CHRIST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services	
	Ministry	General and Administrative	Total
Salaries and Parsonage	\$ 3,310,525	\$ 395,216	\$ 3,705,741
Payroll Taxes and Employee Benefits	984,010	186,737	1,170,747
Rent	831,543	36,372	867,915
Insurance	-	70,589	70,589
Professional Fees	128,364	88,921	217,285
Telephone and Utilities	43,004	2,682	45,686
Youth Worker Screening	19,556	-	19,556
Supplies	92,660	407	93,067
Recruitment	135	-	135
Donations to Others	1,339,710	-	1,339,710
Gifts and Honoraria	11,038	-	11,038
Information Technology	40,531	7,010	47,541
Travel, Meals, and Lodging	732,209	661	732,870
Printing, Postage, and Shipping	3,041	931	3,972
Bank and Online Charges	21,637	51,092	72,729
Miscellaneous Expenses	32,797	12,854	45,651
Total Expenses by Function	<u>7,590,760</u>	<u>853,472</u>	<u>8,444,232</u>
Less: Accumulated Depreciation and Amortization	<u>-</u>	<u>11,361</u>	<u>11,361</u>
Total Expenses Included in the Expense Section on the Statement of Activities and Changes in Net Assets	<u><u>\$ 7,590,760</u></u>	<u><u>\$ 864,833</u></u>	<u><u>\$ 8,455,593</u></u>

See accompanying Notes to Financial Statements.

NEW YORK CITY CHURCH OF CHRIST, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 91,786	\$ (1,061,848)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	11,069	11,361
Realized and Unrealized Losses on Investments	(39,280)	(83,668)
Amortization of Discount of Beneficial Interest in a		
Charitable Lead Annuity Trust	(7,726)	(9,397)
Noncash Lease Expense	(1,138)	3,570
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(3,479)	7,437
Grants Receivable	601,362	-
Prepaid Expenses	33,458	26,336
Beneficial Interest in a Charitable Lead Annuity Trust	59,301	61,000
Accounts Payable and Accrued Liabilities	(60,618)	59,206
Deferred Revenue	(5,572)	(6,030)
Funds Received in Advance	(24,110)	(1,065)
Net Cash Provided (Used) by Operating Activities	<u>655,053</u>	<u>(993,098)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the Maturity of Investments	1,024,020	1,008,565
Purchases of Investments	(1,516,600)	(11,718)
Purchases of Property and Equipment	<u>(1,366)</u>	<u>(5,786)</u>
Net Cash Provided (Used) by Investing Activities	<u>(493,946)</u>	<u>991,061</u>
CHANGE IN CASH AND CASH EQUIVALENTS	161,107	(2,037)
Cash and Cash Equivalents - Beginning of Year	<u>235,467</u>	<u>237,504</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 396,574</u></u>	<u><u>\$ 235,467</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING		
AND FINANCING ACTIVITY		
Noncash Lease Liability Arising from Obtaining Right-of-Use Asset	<u><u>\$ -</u></u>	<u><u>\$ 141,646</u></u>

See accompanying Notes to Financial Statements.

NEW YORK CITY CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

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 (IRC) and from state and local taxes under comparable laws.

Basis of Accounting

The 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 (U.S. GAAP), as applicable to nonprofit organizations.

Use of Estimates

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Church considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents.

Investments

Investments consist of certificates of deposits and are reported at their fair values in the statements of financial position based on quoted market prices. Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions. Realized gains and losses on investments are determined by comparison of the cost basis to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from interest are recognized when earned.

Donated securities are recorded at their estimated fair values, as determined by the proceeds received on the dates of donation or by their net asset values as determined by the Church's management. The Church's policy is to sell the donated securities immediately, and, accordingly, for purposes of the statements of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

NEW YORK CITY CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at their original costs at the dates of acquisition, or, if contributed, at their fair values at the dates of donation. The Church capitalizes property and equipment with a cost of \$1,000 or more and a useful life of greater than one year, whereas minor costs of repairs and maintenance are expensed as incurred. Depreciation of furniture and equipment is provided using the straight-line method over five years, the estimated useful lives of the related assets. Leasehold improvements are amortized over the remaining lease term, or the useful lives of the improvements, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and, when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value, recognizes any impairment in the year of determination. There were no triggering events during the years ending December 31, 2025 and 2024 requiring management to test for impairment that would require any adjustments to property and equipment. However, 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.

Deferred Revenue and Funds Received in Advance

Deferred revenue and funds received in advance consist of grants and contributions received for performance obligations occurring in future fiscal years. These amounts are reported as deferred revenue until the Church satisfies its performance obligations.

Leases

The Church determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and lease liabilities on the statements of financial position. ROU assets represent the Church's right to use an underlying asset for the lease term and lease liabilities represent the Church's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Church uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Church will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Church has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The Church has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

NEW YORK CITY CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Church's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Church considers factors such as if the Church has obtained substantially all of the rights to the underlying asset through exclusivity, if the Church can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual operating lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Church has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent resources that are not subject to donor-imposed restrictions. Included in net assets without donor restrictions are amounts that have been designated by the Church's Board of Trustees (Trustees) for general purposes.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent those resources that the use of which has been restricted by donors or state law to specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as Net Assets Released from Restrictions.

Revenue Recognition

Contributions

Contributions are recorded as revenue upon the receipt of cash or other assets, or of unconditional pledges. Conditional contributions are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions are considered available for use, unless specifically restricted for purpose or time by the donor. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions consist of the following categories:

Weekly Contributions – These are donations from Church members received at regular weekly services. These contributions are used for general operations, as well as for special programs of the Church.

NEW YORK CITY CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions (Continued)

Missions Contributions – These are donations from Church members that are designated for specific domestic and foreign mission churches and programs. Missions contributions are reported as contributions with donor restrictions.

Special Contributions – These are donations collected during the yearly special contribution in excess of the missions' needs. These contributions are allocated to the general operations of the Church.

Benevolence – These are donations from Church members that are designated for the poor and needy, through financial or material assistance. These contributions are reported as contributions with donor restrictions.

Beneficial Interest in a Charitable Lead Annuity Trust – Contribution revenue from a charitable lead annuity trust is recognized upon the establishment of the agreement, at the fair value of the estimated future cash flows, discounted for the estimated time period necessary to complete the agreement. These contributions are reported as contributions with donor restrictions.

Events Fee Income

Registration fees represent various ministry special events, such as youth camps, marriage seminars, campus retreats and singles events. Prices charged for the various events differ for each event and are based on the type of service rendered. Fees charged by the Church for the events are recorded as revenues in the period that the event takes place. Amounts received in advance of the services performed are recorded as deferred revenue on the statements of financial position.

Donations to Others

Donations to others consist of local benevolence, HOPE worldwide and missions. All donations to others are approved by the Trustees and paid during the same year or within the next year.

Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances. The Church charges uncollectible receivables to operations when determined to be uncollectible based on a combination of historical loss experience, current economic conditions, and forward-looking information. No allowance for current expected credit loss was deemed necessary as of December 31, 2025 and 2024.

Grants Receivable

Grants receivable are stated at the amounts management expects to collect from outstanding balances. The Church charges uncollectible grants receivable to operations when determined to be uncollectible. No allowance was deemed necessary for the years ended December 31, 2025 and 2024.

NEW YORK CITY CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

Functional Allocation of Expenses

The costs of providing the Church's program and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present expenses by natural classification and function. Accordingly, direct costs have been functionalized within the program and supporting services based on the nature of the expenses. Natural expenses attributable to more than one functional expense category have been allocated amongst the program and supporting services based on time spent by employees and the nature of the expense. Indirect costs have been allocated on the basis of time and effort. The Church conducts minimal fundraising activities.

Board Designated Net Assets

At December 31, 2025 and 2024, the Church has a board-designated reserve of \$1,050,000 available to ensure stability of missions, programs, and employment of the Church. These funds are not restricted by donors and may be used at the discretion of the Trustees. As of December 31, 2025 and 2024, the Church had not utilized any of these funds.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Church evaluated subsequent events to the statement of financial position date as of December 31, 2025 through August 25, 2026, the date on which the financial statements were available to be issued.

NEW YORK CITY CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 INVESTMENTS AND BENEFICIAL INTEREST IN A CHARITABLE LEAD ANNUITY TRUST

Investments consisted of certificates of deposit with a fair value and cost of \$2,229,214 and \$2,220,000, respectively, as of December 31, 2025, and a fair value and cost of \$1,697,354 and \$1,750,000, respectively, as of December 31, 2024.

During each year, investment gains consisted of the following:

	2025	2024
Interest	\$ 194,077	\$ 32,015
Realized and Unrealized Gains	39,280	83,668
Total	<u>\$ 233,357</u>	<u>\$ 115,683</u>

ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair value measurements. These valuation techniques are based on 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 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

NEW YORK CITY CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 INVESTMENTS AND BENEFICIAL INTEREST IN A CHARITABLE LEAD ANNUITY TRUST (CONTINUED)

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following tables summarize the fair values of the Church's investments and other assets at each year-end, in accordance with the ASC Topic 820 fair-value levels:

December 31, 2025				
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 2,229,214	\$ -	\$ 2,229,214
Beneficial Interest in a Charitable				
Lead Annuity Trust	-	-	286,992	286,992
Total	<u>\$ -</u>	<u>\$ 2,229,214</u>	<u>\$ 286,992</u>	<u>\$ 2,516,206</u>
December 31, 2024				
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 1,697,354	\$ -	\$ 1,697,354
Beneficial Interest in a Charitable				
Lead Annuity Trust	-	-	338,567	338,567
Total	<u>\$ -</u>	<u>\$ 1,697,354</u>	<u>\$ 338,567</u>	<u>\$ 2,035,921</u>

NEW YORK CITY CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 INVESTMENTS AND BENEFICIAL INTEREST IN A CHARITABLE LEAD ANNUITY TRUST (CONTINUED)

Changes in the beneficial interest in a charitable lead annuity trust agreement as of December 31 were as follows:

	2025	2024
Trusts - Beginning of Year	\$ 338,567	\$ 390,170
Investment Return, Net	7,726	9,397
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	(59,301)	(61,000)
Trust - End of Year	<u>\$ 286,992</u>	<u>\$ 338,567</u>

Quantitative information regarding unobservable inputs developed by the Church and assumptions used to measure the fair value of the beneficial interest in a charitable lead annuity trust agreement as of December 31, 2025 are as follows:

Type	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Charitable Lead Annuity Trust	<u>\$ 286,992</u>	Income Approach through Discounted Future Cash Flows	Growth Rate/ Discount Rate	4%

Quantitative information regarding unobservable inputs developed by the Church and assumptions used to measure the fair value of the beneficial interest in a charitable lead annuity trust agreement as of December 31, 2024 are as follows:

Type	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Charitable Lead Annuity Trust	<u>\$ 338,567</u>	Income Approach through Discounted Future Cash Flows	Growth Rate/ Discount Rate	4%

NOTE 3 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 in quarterly installments for 20 years. The funds in the Trust are managed by an unrelated trustee.

During the years ending December 31, 2025 and 2024, the Church recognized changes in fair value from the Trust of approximately \$8,000 and \$9,000, respectively, representing the amortization of the present value of the estimated future annuity payments, using a discount rate of 4%. According to the amortization schedule, all interest payments have been received through 2025. The remaining annuity payments of approximately \$147,000 for 2023 through 2025 have not been received. The estimated fair value of the Church's interest in the Trust, as of December 31, 2025 and 2024, was \$286,992 and \$338,567, respectively.

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NOTE 4 EMPLOYEE RETENTION CREDIT

During the year ended December 31, 2023, the Church applied for revenue relating to Employee Retention Credits totaling \$601,806 under the CARES Act. Employee Retention Credits are refundable, federal payroll tax credits available to eligible employers whose business has been financially impacted by COVID-19. The Church accounted for the funds as government grants. Employee Retention Credits receivable as of December 31, 2024 amounted to \$601,806 and are included in grants receivable in the accompanying statements of financial position. The full balance has been received during the year ending December 31, 2025.

NOTE 5 PROPERTY AND EQUIPMENT

As of December 31, the Church's property and equipment consisted of the following:

	2025	2024
Furniture and Equipment	\$ 112,561	\$ 277,026
Leasehold Improvements	6,637	6,637
Total	119,198	283,663
Less: Accumulated Depreciation and Amortization	(106,487)	(261,249)
Property and Equipment, Net	<u>\$ 12,711</u>	<u>\$ 22,414</u>

The organization disposed of its fully depreciated assets during the year ended December 31, 2025. There were no disposals during the years ended December 31, 2024.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, net assets with donor restrictions were available to satisfy the following purposes:

	2025	2024
Subject to Expenditure for Specified Purpose:		
Missions	\$ 275,082	\$ 403,840
Benevolence	142,351	199,119
Children's Programs	23,702	4,640
Fundraisers - Campus	7,606	8,147
Adoption Activities	10,280	10,280
Manhattan Facility Rentals	-	1,088
Total	459,021	627,114
Subject to the Passage of Time:		
Charitable Lead Annuity Trust	286,992	338,567
Total Net Assets With Donor Restrictions	<u>\$ 746,013</u>	<u>\$ 965,681</u>

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NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets released from restrictions consisted of the following at December 31:

	2025	2024
Expiration of Time Restrictions	\$ 59,301	\$ 61,000
Satisfaction of Purpose Restrictions:		
Missions	1,112,173	1,068,820
Benevolence	317,092	269,705
Children's Programs	19,001	12,119
Fundraisers - Campus	39,082	42,308
Total	<u>1,487,348</u>	<u>1,392,952</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 1,546,649</u>	<u>\$ 1,453,952</u>

NOTE 7 RETIREMENT PLAN

The Church sponsors a tax-deferred annuity retirement plan established under Section 403(b) of the IRC. The Church provides a match for all employees who participate in the plan. Employer contributions to the plan for the years ending December 31, 2025 and 2024 were \$146,116 and \$166,163, respectively, and are recorded in payroll taxes and employee benefits on the statements of functional expenses.

NOTE 8 COMMITMENTS AND OTHER UNCERTAINTY

Lease Commitments

In May 2018, the Church extended its lease agreement for its corporate headquarters located at 400 Plaza Drive in Secaucus, New Jersey, for an additional five years through November 2023. In February 2022, the Church amended its lease agreement and extended the lease term through March 31, 2028. The Church also leases program space through 2025.

Operating lease costs for the years ending December 31, 2025 and 2024 were \$102,694.

Operating cash flows during the years ending December 31, 2025 and 2024 were \$103,833 and \$99,122, respectively.

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NOTE 8 COMMITMENTS AND OTHER UNCERTAINTY (CONTINUED)

Lease Commitments (Continued)

As of December 31, 2025, the estimated future minimum lease payments required under this operating lease agreement were as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 28,462
2027	29,013
2028	<u>7,288</u>
Total	64,763
Less: Amount Representing Interest	<u>(992)</u>
Amount Reported on Statements of Financial Position	<u><u>\$ 63,771</u></u>

	<u>2025</u>	<u>2024</u>
Weighted-Average Lease Term - Operating Leases	2.3 years	2.2 Years
Weighted-Average Discount Rate - Operating Leases	1.42 %	2.73 %

In addition, in order to conduct its weekly services, the Church has entered into lease agreements with terms of 12 months or less for the use of various facilities throughout the New York/New Jersey metropolitan area. Rent expense for these facilities during the years ending December 31, 2025 and 2024 amounted to \$683,731 and \$728,131, respectively.

Rental expense for administrative offices during the years ending December 31, 2025 and 2024 was \$30,586 and \$36,372, respectively.

Other Contracts

In the normal course of its business, the Church enters into various contracts for professional and other services, which are typically renewable on a year-to-year basis.

NOTE 9 CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Church to concentrations of credit risk consist principally of cash deposited in financial institutions in amounts which, from time to time, may exceed federal insurance limits, and certificates of deposits. At December 31, 2025, there was approximately \$66,000 that exceeded insured limits. At December 31, 2024, there were no cash balances in one financial institution that exceeded insured limits. However, based on the current Federal Deposit Insurance Corporation coverage, management monitors the risk associated with concentrations on an ongoing basis and believes that the Church does not face a significant risk of loss on these accounts that might result from failures of the financial institutions.

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NOTE 10 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Church's financial assets as of the statements of financial position dates, reduced by amounts not available for general use within one year because of donor-imposed restrictions:

	2025	2024
Cash and Cash Equivalents	\$ 396,574	\$ 235,467
Investments	2,229,214	1,697,354
Accounts Receivable	4,404	925
Grants Receivable	444	601,806
Total Financial Assets Available Within One Year	<u>2,630,636</u>	<u>2,535,552</u>
Less Amounts Unavailable for General Expenditures		
Within One Year Due to:		
Restriction by Donors for Specified Purpose	(459,021)	(627,114)
Amounts Unavailable to Management Without		
Board of Trustees' Approval:		
Board-Designated	<u>(1,050,000)</u>	<u>(1,050,000)</u>
Total Financial Assets Available to Meet Cash		
Needs for General Expenditures Within One Year	<u><u>\$ 1,121,615</u></u>	<u><u>\$ 858,438</u></u>

Liquidity Policy

The Church's policy is to structure its financial assets to maintain a sufficient level of operating cash to be available for its general expenditures, liabilities and other obligations as they come due. Additionally, the Church has a Board-Designated reserve, whereby amounts could be made available for current operations, if necessary; however, the Church does not intend to spend these funds for purposes other than those approved by the Trustees.

NOTE 11 GOING CONCERN

The Church has experienced repeated operating losses and negative cash flows from operations, excluding one-time Employee Retention Credit proceeds and related interest income recognized during the year ended December 31, 2025. These factors raised substantial doubt about the Church's ability to continue as a going concern should no remediation actions be undertaken.

Management has evaluated these conditions and has implemented the following steps to sustain the Church as a going concern. Management has decided not to fill vacant positions and has limited in-person events in an effort to reduce expenditures. In addition, management has enhanced its collection efforts. The achievement of the Church's plan is subject to inherent risks associated with the ability to increase contributions and additional cost cutting measures might also be necessary. The financial statements do not include any adjustments that might result from the outcome of this uncertainty, and there can be no guarantee management can achieve these plans.

