Mission Church

Financial Statements and Independent Auditors' Report

August 31, 2025 and 2024

Miller Cooper & Co., Ltd.

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MILLER COOPER & Co., Ltd
ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mission Church
Bloomingdale, Illinois

Opinion

We have audited the financial statements of Mission Church (the Church), which comprise the statements of financial position as of August 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as of August 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 (GAAP).

Basis for Opinion

We conducted 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 that 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.

***Auditors' Responsibilities for the Audit of the Financial Statements* (Continued)**

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.

MILLER, COOPER & CO., LTD

Miller, Cooper & Co., LTD.

Certified Public Accountants

Deerfield, Illinois
November 25, 2025

FINANCIAL STATEMENTS

Mission Church

Statements of Financial Position

August 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 2,573,111	$ 5,879,226
Restricted cash	191,034	186,560
Prepaid expenses	74,341	32,012
Property and equipment, net	22,947,434	11,167,518
Total assets	$ 25,785,920	$ 17,265,316
LIABILITIES AND NET ASSESTS		
LIABILITIES		
Accounts payable	$ 2,149,936	$ 472,387
Accrued expenses	739,193	276,368
Loan payable, net of unamortized debt issuance costs	6,696,350	5,763,100
Total liabilities	9,585,479	6,511,855
NET ASSETS WITHOUT DONOR RESTRICTIONS	16,200,441	10,753,461
	$ 25,785,920	$ 17,265,316

The accompanying notes are an integral part of these financial statements.

Mission Church

Statements of Activities

years ended August 31, 2025 and 2024

	2025	2024
Revenues and other support		
Offerings	$ 9,162,515	$ 10,888,006
In-kind contributions	563,112	243,925
Other revenue	147,654	105,030
Investment return, net	62,650	189,623
Total revenue and other support	9,935,931	11,426,584
Expenses		
Program	3,673,732	3,201,534
Fundraising	7,596	72,519
General and administrative	807,623	744,617
Total expenses	4,488,951	4,018,670
CHANGE IN NET ASSETS	5,446,980	7,407,914
Net assets, without donor restrictions, beginning of year	10,753,461	3,345,547
Net assets, without donor restrictions, end of year	$ 16,200,441	$ 10,753,461

The accompanying notes are an integral part of these financial statements.

Mission Church

Statements of Cash Flows

years ended August 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 5,446,980	$ 7,407,914
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	209,182	203,858
Amortization of debt issuance costs	8,169	34,191
Contributed professional services and materials	(563,112)	(240,525)
(Increase) decrease in assets		
Prepaid expenses	(42,329)	14,024
(Decrease) increase in liabilities		
Accounts payable	(1,036,615)	(173,818)
Accrued expenses	462,825	155,569
Net cash provided by operating activities	4,485,100	7,401,213
Cash flows from investing activities		
Purchases of property and equipment	(8,711,822)	(3,396,062)
Net cash used in investing activities	(8,711,822)	(3,396,062)
Cash flows from financing activities		
Payments on mortgages payable	-	(6,057,142)
Cash proceeds from loan payable	925,081	5,836,620
Debt issuance costs	-	(74,201)
Net cash used in financing activities	925,081	(294,723)
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(3,301,641)	3,710,428
Cash, cash equivalents, and restricted cash, beginning of year	6,065,786	2,355,358
Cash, cash equivalents, and restricted cash, end of year	$ 2,764,145	$ 6,065,786

The accompanying notes are an integral part of these financial statements.

Mission Church

Statements of Cash Flows

years ended August 31, 2025 and 2024

	2025	2024
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 273,389	$ 286,719
Supplemental disclosure of noncash transactions		
Additions to property and equipment included in accounts payable and accrued expenses	$ 2,714,164	$ 594,278
Contributions of furniture, equipment and services received	$ 563,112	$ 240,525

The accompanying notes are an integral part of these financial statements.

A. Nature of the Business

Mission Church of Roselle d/b/a Mission Church (the Church) is an Illinois not-for-profit corporation and was incorporated in November 2010. The Church is a non-denominational, independent, Christian church whose mission is to help people find and follow Christ. Mission Church has a specific geographic focus on reaching the populations of the suburban Chicago towns it has named “The 10”. “The 10” consists of the towns of: Addison, Wood Dale, Itasca, Medinah, Roselle, Bloomingdale, Glendale Heights, Carol Stream, Hanover Park, and Bartlett. The Church is dedicated to spreading the Gospel through establishing, developing, and promoting all aspects of church ministry in these surrounding communities. The Church is supported primarily through offerings from the congregation.

B. Summary of Significant Accounting Policies

I. Basis of Accounting and Presentation

The financial statements of the Church have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), which requires the Church to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Church. These net assets may be used at the discretion of the Church's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Church or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

B. Summary of Significant Accounting Policies (Continued)

I. Basis of Accounting and Presentation (Continued)

Donor restricted contributions whose restrictions are met in the same reporting period as received are recorded as increases in net assets without donor restrictions. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

II. Cash and Cash Equivalents

The Church's cash consists of cash on deposit with banks. The Church considers certain highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to the sum of the corresponding amounts within the statements of cash flows as of August 31, 2025 and 2024:

	2025	**2024**
Cash and cash equivalents	$ 2,573,111	$ 5,879,226
Restricted cash (Note E)	191,034	186,560
	$ 2,764,145	$ 6,065,786

B. Summary of Significant Accounting Policies (Continued)

III. Property and Equipment, Net

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from 5 to 39 years. The Church's policy is to capitalize additions greater than $5,000 and expense normal repairs and maintenance as incurred. The Church's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Construction in progress is stated at cost and includes engineering, material and labor, design, costs incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

IV. Income Tax Matters

The Church is classified as a Section 501(c)(3) organization under the Internal Revenue Code, which provides that religious organizations are exempt from income tax. As a religious organization, the Church is not required to file an annual information return for an organization exempt from income tax (Form 990).

V. Contributions

Contributions received are recorded as net assets without donor restrictions. It is the Church’s policy to not accept contributions with donor restrictions.

B. Summary of Significant Accounting Policies (Continued)

VI. Nonfinancial Assets

Nonfinancial assets commonly referred to as in-kind contributions and contributed services are recorded at their estimated fair value as both revenue and expense in the statements of activities. The Church does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities: however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP.

VII. Donated Securities

Donated securities are recorded at the underlying security's fair value at the date of donation. The Church received approximately $820,000 and $ 3,500,000 of donated stock at August 31, 2025 and 2024, respectively.

VIII. Debt Origination Costs

Debt origination costs are financing fees which are amortized using the straight-line method over the life of the related mortgage payable.

IX. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent 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.

B. Summary of Significant Accounting Policies (Continued)

X. Functional Expense Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited (see Note H). Such allocations are determined by management on an equitable basis.

The expenses that are allocated and applicable allocation methodology is as follows:

Expense	**Method of Allocation**
Salaries and benefits	Time and Effort
Insurance	Time and Cost
Office	Direct
Rent	Direct
Professional consulting fees	Direct
Contractor fees	Direct
Development	Time and Cost
Event	Direct
Strategic	Time and Effort
Ministry	Time and Cost
Benevolence	Direct
Interest	Square Footage
Building	Square Footage
Depreciation	Square Footage

B. Summary of Significant Accounting Policies (Continued)

XI. Fair Value Measurements

The carrying amounts of financial instruments, including cash equivalents, accounts payable, and accrued expenses, approximate fair value due to the nature or short maturity of these instruments. The carrying amount of the loan payable approximates fair value because the interest rates fluctuate with market interest rates or the fixed rates are based on current rates offered to the Church for debt with similar terms and maturities.

It is the Church’s policy, in general, to measure nonfinancial assets and liabilities at fair value on a nonrecurring basis. These items are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (such as evidence of impairment) which, if material, are disclosed in the accompanying notes to the financial statements.

C. Availability and Liquidity

The following represents the Church's financial assets available to be used for general expenditures within the next twelve months as of August 31, 2025 and 2024:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 2,573,111	$ 5,879,226
Restricted cash	191,034	186,560
Total financial assets	2,764,145	6,065,786
Less amounts not available to be used within one year:		
Restricted cash	191,034	186,560
	$ 2,573,111	$ 5,879,226

C. Availability and Liquidity (Continued)

The Church historically maintains its financial assets in a highly liquid cash account. The Church's day-to-day operations are supported primarily by offerings, which historically have been sufficient to meet annual cash needs for general expenditures. The Church manages its liquidity and reserves following three guiding principles; operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Church has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 6 weeks operating expenses. To achieve this target, the Church forecasts its future cash flows and monitors its liquidity monthly, and adds to or withdraws from its cash and cash equivalents accounts quarterly.

D. Property and Equipment

Property and equipment as of August 31, 2025 and 2024 are as follows:

	2025	2024
Land	$ 2,040,375	$ 2,040,375
Buildings	5,109,189	4,811,418
Furniture and fixtures	1,020,391	984,266
Construction in progress	16,022,616	4,367,414
	24,192,571	12,203,473
Less accumulated depreciation	(1,245,137)	(1,035,955)
	$ 22,947,434	$ 11,167,518

E. Loan Payable

In 2021, the Church entered into a commercial promissory note agreement for their mortgage with a lender in the amount of $6,541,102. The mortgage required monthly principal and interest payments of $42,270 with a final balloon payment due on April 1, 2031. The mortgage bore interest at a rate of 4.75%. In 2024, the Church refinanced their mortgage with the same lender and used the proceeds from the refinance to pay off the old mortgage balance. The Church's loan payable is in the amount of $10,500,000 of which $5,836,620 represents the outstanding balance of the Church's mortgage. The Church has the option to draw on the difference between $10,500,000 and the mortgage balance to fund construction costs related to the expansion of the Church's building. The Church made advances of $925,081 to fund construction costs as of August 31, 2025. The loan payable bears interest at a rate of 4.75%. Interest is subject to change on September 1, 2027 and every three years after. Beginning with the first change date, the lender will calculate the new interest rate based on the lesser of the lender's prevailing rates or Prime (the "Index") minus 0.250 percentage points, but never below 4.75%. The loan payable requires 37 interest only payments through September 1, 2027, followed by 72 monthly interest and principal payments with the amount determined on the basis of an amortization period of 216 months beginning on October 1, 2027. The remaining outstanding balance will be paid in a balloon payment on September 1, 2033.

Under the terms of the loan payable, the Church is required to maintain two depository accounts with the lender. One account represents four months of mortgage payments and is classified as restricted cash in the Church’s statements of financial position as of August 31, 2025 and 2024. The second account represents all of the Church’s cash balance outside of six weeks of operating expenses and is classified as cash and cash equivalents in the Church’s statements of financial position as of August 31, 2025 and 2024. Balances held at this entity are not insured by the Federal Deposit Insurance Corporation (FDIC).

E. Loan Payable (Continued)

Outstanding balances of the loan payable were as follows as of August 31, 2025 and 2024:

	2025	2024
Loan payable	$ 6,761,701	$ 5,836,620
Less unamortized debt issuance costs	(65,351)	(73,520)
	$ 6,696,350	$ 5,763,100

In refinancing the mortgage payable, the Church incurred debt issuance costs of $74,201, which have been recorded as a reduction to the carrying values of the mortgage payable. This reduction is recognized on a straight-line basis as interest expense over the original maturity of the mortgage payable. The charge to amortization expense was $8,169 and $ 34,191 for the years ended August 31, 2025 and 2024.

As of August 31, 2025, future maturities for the years ending August 31, are as follows:

	Loan Payable Principal	Unamortized Debt Issuance Costs	Net Outstanding Loan Payable
2026	$ -	$ 8,169	$ (8,169)
2027	-	8,169	(8,169)
2028	222,881	8,169	214,712
2029	254,448	8,169	246,279
2030	266,801	8,169	258,632
Thereafter	6,017,571	24,506	5,993,065
	$ 6,761,701	$ 65,351	$ 6,696,350

This note is collateralized by substantially all of the Church's assets and is subject to certain restrictive nonfinancial covenants, as defined in the agreement.

F. Retirement Plan

The Church maintained a simple IRA employee benefit plan whereby the Church must provide a 100% match up to 3% of employee's contributions or provide 2% of their annual salary. Employees could also make voluntary contributions to the Plan. The cost to the Church in connection with the simple IRA plan was $11,952 for the year ended August 31, 2024. During 2024, the Church terminated the simple IRA plan and established a 403(b) retirement plan whereby the Church must provide a 3% safe harbor non-elective contribution. The Church may elect to offer an additional match. No additional match was elected for the year ended August 31, 2025 and 2024. The cost to the Church in connection with the 403(b) plan was $46,448 and $27,053 for the years ended August 31, 2025 and 2024, respectively.

G. Related Party Transactions

A construction company whose owner is related to one of the lead pastors of the Church was hired as the general contractor for the expansion that began in 2023 and is anticipated to be completed in winter 2025. Total costs incurred related to the construction on the expansion was $8,981,172 and $ 2,819,422 through August 31, 2025 and 2024, respectively.

H. Functional Expenses

The Church's expenses for the year ended August 31, 2025, have been allocated to functional areas as follows:

	Program	Fundraising	Administrative	Total
Salaries and benefits	$ 1,853,669	$ -	$ 205,963	$ 2,059,632
Insurance	17,225	-	17,224	34,449
Office	-	-	149,167	149,167
Rent	293	-	-	293
Professional consulting fees	9,568	-	181,782	191,350
Contractor fees	246,829	-	-	246,829
Development	109,039	585	108,454	218,078
Event	424,310	-	-	424,310
Strategic	29,849	2,132	10,660	42,641
Ministry	178,085	4,879	60,988	243,952
Benevolence	144,400	-	-	144,400
Interest	256,867	-	28,541	285,408
Building	215,334	-	23,926	239,260
Depreciation	188,264	-	20,918	209,182
	$ 3,673,732	$ 7,596	$ 807,623	$ 4,488,951

H. Functional Expenses (Continued)

The Church's expenses for the year ended August 31, 2024, have been allocated to functional areas as follows:

	Program	Fundraising	Administrative	Total
Salaries and benefits	$ 1,596,590	$ -	$ 177,399	$ 1,773,989
Insurance	14,466	-	14,466	28,932
Office	-	1,225	121,234	122,459
Rent	-	-	406	406
Professional consulting fees	16,361	30,384	186,981	233,726
Contractor fees	151,037	11,368	-	162,405
Development	96,929	-	96,929	193,858
Event	366,602	23,400	-	390,002
Strategic	57,882	782	19,554	78,218
Ministry	119,715	5,360	53,603	178,678
Benevolence	115,550	-	-	115,550
Interest	284,567	-	31,619	316,186
Building	198,363	-	22,040	220,403
Depreciation	183,472	-	20,386	203,858
	$ 3,201,534	$ 72,519	$ 744,617	$ 4,018,670

I. Contributed Professional Services and Materials

For the years ended August 31, 2025 and 2024, contributed nonfinancial assets recognized within the statement of activities included the following:

	2025	2024
Furniture and fixtures	$ 420	$ 90,161
General contractor services	563,112	153,764
	$ 563,532	$ 243,925

I. Contributed Professional Services and Materials (Continued)

Contributed furniture and fixtures are valued using identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed furniture and fixtures are used in program services. General contractor services are used for management and general activities and are recognized at fair value based on current rates for similar services.

J. Risks and Uncertainties

I. Concentration of Credit Risk

The Church maintains its cash balances at certain banking institutions. Accounts are guaranteed by the FDIC up to certain limits. The Church may, from time to time, have cash balances in excess of FDIC insured deposit limits.

II. Litigation

The Church may be subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets, and cash flows of the Church. The Church is not currently subject to any outstanding claims nor lawsuits.

III. Construction Commitments

The Church has certain contracts, primarily with a related party, for construction projects that were in progress at August 31, 2025. Future commitments under these contracts was approximately $615,000 at August 31, 2025.

J. Risks and Uncertainties (Continued)

IV. Major Donors

Contributions from one donor accounted for approximately 13% and 18% of total operating revenues for the years ended August 31, 2025 and 2024, respectively. These contributions are included in offerings revenue in the accompanying statements of activities for the years ended August 31, 2025 and 2024.

K. Subsequent Events

Management has evaluated subsequent events through November 25, 2025, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statements of financial position date that require additional disclosure in the financial statements.