

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN
CHURCHES OF THE UNITED STATES AND
CONGREGATIONAL FOUNDATION, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED MARCH 31, 2025



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**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.**

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YEAR ENDED MARCH 31, 2025**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
National Association of Congregational Christian Churches
of the United States and Congregational Foundation, Inc.
Oak Creek, Wisconsin

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of National Association of Congregational Christian Churches of the United States (Corporation) and Congregational Foundation, Inc. (Foundation), which comprise the consolidated statement of financial position as of March 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Association of Congregational Christian Churches of the United States and Congregational Foundation, Inc. as of March 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Consolidated Financial Statements section of our report. We are required to be independent of National Association of Congregational Christian Churches of the United States and Congregational Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Association of Congregational Christian Churches of the United States and Congregational Foundation, Inc.'s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

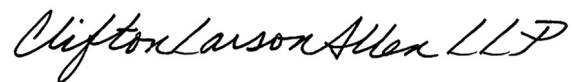
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 National Association of Congregational Christian Churches of the United States and Congregational Foundation, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Association of Congregational Christian Churches of the United States and Congregational Foundation, Inc.'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.

Board of Directors
National Association of Congregational Christian Churches
of the United States and Congregational Foundation, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 17-27 related to the 2025 consolidated financial statements is presented for purposes of additional analysis and is not a required part of the 2025 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2025 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2025 consolidated financial statements, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Racine, Wisconsin
October 20, 2025

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2025**

ASSETS

Cash and Cash Equivalents	\$ 918,824
Investments:	
Board Designated	928,403
Other Investments	19,605,780
Notes Receivable (Net of Allowance for Credit Losses of \$25,000 at March 31, 2025)	100,667
Property and Equipment, Net	150,571
Other Assets	<u>85,721</u>
Total Assets	<u><u>\$ 21,789,966</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Annuity Obligations	\$ 20,152
Deferred Revenue	2,700
Other	<u>187,077</u>
Total Liabilities	209,929

NET ASSETS WITHOUT DONOR RESTRICTIONS

Administration - Without Donor Restrictions	1,079,534
Foundation - Without Donor Restrictions	90,661
Designated - Without Donor Restrictions	<u>928,403</u>
Total Net Assets Without Donor Restrictions	2,098,598

NET ASSETS WITH DONOR RESTRICTIONS

Administration	627,578
Mission and Outreach Ministry Council	946,819
Vitality Ministry Council	1,582,416
Building and Loan	931,941
Growth Ministry Council	301,334
Foundation	<u>15,091,351</u>
Total Net Assets With Donor Restrictions	<u>19,481,439</u>

Total Net Assets	<u>21,580,037</u>
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Total Liabilities and Net Assets	<u><u>\$ 21,789,966</u></u>
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See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions:			
Churches and Individuals	\$ 490,261	\$ 1,084,254	\$ 1,574,515
Special Gifts	33,861	108,165	142,026
Annual Meeting	64,164	17,421	81,585
Investment Income	73,294	1,155,281	1,228,575
Interest on Notes Receivable	-	1,254	1,254
Congregationalist Income	4,350	11,950	16,300
Other Publication Income	20,750	-	20,750
Miscellaneous	1,606	4,685	6,291
Net Assets Released from Restrictions	1,201,139	(1,201,139)	-
Total Revenue and Support	<u>1,889,425</u>	<u>1,181,871</u>	<u>3,071,296</u>
EXPENSES			
Programming Services	1,499,498	-	1,499,498
Administration	206,819	-	206,819
Donor Cultivation	141,465	-	141,465
Total Expenses	<u>1,847,782</u>	<u>-</u>	<u>1,847,782</u>
CHANGE IN NET ASSETS	41,643	1,181,871	1,223,514
Net Assets - Beginning of Year	<u>2,056,955</u>	<u>18,299,568</u>	<u>20,356,523</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,098,598</u></u>	<u><u>\$ 19,481,439</u></u>	<u><u>\$ 21,580,037</u></u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2025**

	<u>Program</u>	<u>Administration</u>	<u>Donor Cultivation</u>	<u>Total</u>
Program Support Services	\$ 709,108	\$ 198,133	\$ 135,565	\$ 1,042,806
Travel	12,475	2,495	1,664	16,634
Congregationalist Expense	41,917	-	-	41,917
Other Publication Expense	11,331	-	-	11,331
Annual Meeting	107,443	-	-	107,443
Ministerial Assistance and Development	15,400	-	-	15,400
Aid	436,081	-	-	436,081
Theological Studies Fellows	111,071	-	-	111,071
Depreciation	22,155	6,191	4,236	32,582
Miscellaneous	32,517	-	-	32,517
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses by Function	<u>\$ 1,499,498</u>	<u>\$ 206,819</u>	<u>\$ 141,465</u>	<u>\$ 1,847,782</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 1,223,514
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	32,582
Realized and Unrealized Gain on Investments	(583,958)
Contributed Securities	-
Contributions for Endowment Funds	(214,348)
Changes in Assets and Liabilities:	
Other Assets	(9,643)
Annuity Obligations	300
Deferred Revenue	(11,120)
Other Liabilities	106,831
Net Cash Provided by Operating Activities	<u>544,158</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Investments	644,995
Purchases of Investments	(561,482)
Payments Received on Note Receivable	13,225
Purchases of Property and Equipment	<u>(10,850)</u>
Net Cash Provided by Investing Activities	85,888

CASH FLOWS FROM FINANCING ACTIVITIES

Contributions to Endowment Funds	<u>214,348</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS

844,394

Cash and Cash Equivalents - Beginning of Year

74,430

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 918,824

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

National Association of Congregational Christian Churches of the United States (Corporation) is an unincorporated nonprofit association. It is the mission of the Corporation to encourage and assist local churches in their development of vibrant and effective witnesses to Christ in Congregational ways. The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Corporation has five primary activities as follows:

- Shared Ministries
- Mission and Outreach Ministry Council
- Vitality Ministry Council
- Building and Loan
- Growth Ministry Council

The Corporation's main sources of revenues are donations and investment income.

The Congregational Foundation, Inc. (Foundation), the Corporations' affiliate, is a not-for-profit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Its mission is to further the Congregational Way by providing support to the Corporation, affiliated regional and state associations, and local Congregational Christian churches.

Principles of Consolidation

The consolidated financial statements include the accounts of the National Association of Congregational Christian Churches of the United States, and its affiliate, the Congregational Foundation, Inc. All material intercompany transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Corporation and Foundation considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return/(loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE UNITED
STATES AND CONGREGATIONAL FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is stated at cost. Depreciation of property and equipment is computed on the straight-line over the useful lives of the assets which range from 3 to 40 years as follows:

Buildings and Improvements	10 to 40 Years
Office furniture and equipment	3 to 10 Years

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Split-Interest Agreements

Assets received under split interest agreements (Annuities) are recorded at their fair value and are term restricted until the donor's death. If the Corporation is not the ultimate beneficiary under the agreement, a liability is established at the fair value of assets received. If the Corporation is the ultimate beneficiary under the agreement, a liability is established for the present value of the estimated future payments to the donor. A discount rate of 6% was used to project the Annuity liabilities. Contribution revenues are recorded for the difference between the fair value of the assets received and the liability.

Revenue Recognition

Revenue is recognized when performance obligations are met. The Corporation and Foundation recognize revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member. Revenue from performance obligations satisfied either at a point in time or over a period of time consists of the following:

- *Annual Meeting, Congregationalist Income, and Other Publication Income* – These are recognized as performance obligations (programming) are met.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE UNITED
STATES AND CONGREGATIONAL FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Revenue from non-exchange transactions consist of the following:

- *Contribution Revenue* – Gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Contributions and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, which is allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, and travel, which are allocated on the basis of estimates of time and effort.

Income Tax Status

The Corporation and Foundation are exempt Organizations under Section 501(c)(3) of the IRC. There are no activities that would jeopardize the entity's tax-exempt status and there are no provisions for uncertain tax positions.

Subsequent Events

We have evaluated subsequent events through October 20, 2025, the date the consolidated financial statements were available to be issued.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE UNITED
STATES AND CONGREGATIONAL FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at March 31, 2025:

Cash	\$ 918,824
Investments	20,534,183
Notes Receivable, Net	<u>100,667</u>
Total Financial Assets	21,553,674
Less Amounts Not Available to be Used Within One Year for General Expenditures:	
Donor-Restricted for Purpose	(19,481,439)
Board-Designated Funds	(928,403)
Notes Receivable Not Due Within One Year	<u>(48,002)</u>
Financial Assets Available for General Expenditures Within One Year	<u><u>\$ 1,095,830</u></u>

In addition to financial assets available to meet general expenditures over the next year, the Corporation and Foundation operate with a balanced budget and anticipate collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Also, the Corporation and Foundation receive significant contributions restricted by donors and consider contributions restricted for programs which are ongoing, major and central to their annual operations to be available to meet cash needs for general expenditures.

NOTE 3 SPLIT-INTEREST AGREEMENTS

In consideration a gift aggregating approximately \$10,000, the Corporation has entered into a lifetime gift annuity agreement with an individual that is 93 years old. Under the term of the agreement, the Corporation is obligated to make lifetime annuity payments which currently aggregate approximately \$1,245 per year to the donor. The Annuity Fund consists of investments in fixed income funds, cash equivalents and common stock. As of March 31, 2025, the Corporation had obligations to others on the annuities of \$20,152.

NOTE 4 INVESTMENTS

A Portion of the Corporation's investments are held in the Congregational Investment Trust (Trust) which was established for the investment of assets of the Corporation and member churches. Each participating church has an undivided interest in the Trust. Since December 2012, the assets of the Trust have been held by Community Bank N.A. of New York and managed by Vanguard Institutional Advisory Services. Also, since December 2012, the Foundation's investments have been included in the Trust. As of March 31, 2025, the Corporation's interest in the net assets of the Trust was approximately 17%.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE UNITED
STATES AND CONGREGATIONAL FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 4 INVESTMENTS (CONTINUED)

As of March 31, 2025, the Foundation's interest in the net assets of the Trust was approximately 52%. Investment income and administrative expenses relating to the Trust are allocated to the Corporation, the individual member churches, and the Foundation based upon average monthly balances invested by each group. The rates of return for the investments in the Trust for the year ended March 31, 2025 was 5.99%.

The amount of investment expenses netted against investment income was \$81,008 for the year ended March 31, 2025.

Investments of the Corporation and Foundation consisted of the following as of March 31, 2025:

	Fair Value	Cost	Unrealized Gain (Loss)
Interest in Trust - Corporation	\$ 4,991,158	\$ 4,760,874	\$ 230,284
Interest in Trust - Foundation	14,939,672	9,623,963	5,315,709
Annuity Fund	558,789	310,753	248,036
Donated Investment	44,564	10,019	34,545
Total	<u>\$ 20,534,183</u>	<u>\$ 14,705,609</u>	<u>\$ 5,828,574</u>

At March 31, 2025, investments held in the Trust were as follows:

	Fair Value	Cost
Cash Equivalents	\$ -	\$ -
Mutual Funds	28,852,390	20,823,865
Accrued Interest and Dividends	-	-
Subtotal	<u>28,852,390</u>	<u>20,823,865</u>
Less Member Churches'		
Equity in Investment Pool	(8,921,560)	(6,439,028)
Total Investment in Trust	<u>\$ 19,930,830</u>	<u>\$ 14,384,837</u>

The following summarized the investments by classification and method of valuation in accordance with the requirements of accounting principles generally accepted in the United States of America, as of March 31, 2025:

	Level 1	Level 2	Level 3	Total
Cash Equivalents	\$ 14,544	\$ -	\$ -	\$ 14,544
Common Stock	42,427	-	-	42,427
Mutual Funds:				
Investment-Grade Funds	206,054	-	-	206,054
Index Funds	340,329	-	-	340,329
Interest in Trust - Corporation	-	4,991,157	-	4,991,157
Interest in Trust - Foundation	-	14,939,672	-	14,939,672
Total	<u>\$ 603,354</u>	<u>\$ 19,930,829</u>	<u>\$ -</u>	<u>\$ 20,534,183</u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE UNITED
STATES AND CONGREGATIONAL FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 5 NOTES RECEIVABLE

The Corporation makes loans for the building of churches or additions to existing facilities. These loans are reported at contract value, less an estimate for uncollectible amounts based on past experience and expected future losses. Interest income on the loans is recognized based on percentages stated in the contract. Loans are written off when deemed to no longer be collectible. Such loans are generally secured by first or second mortgages on the buildings.

The notes receivable interest rates range from 0.00% to 4.00%, with an average rate of 2.41%. The notes receivable are expected to be collected as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2026	\$ 52,665
2027	19,639
2028	15,739
2029	15,755
2030	16,014
Thereafter	<u>5,855</u>
Total Notes Receivable	125,667
Less Allowance for Credit Losses	<u>(25,000)</u>
Notes Receivable, Net	<u><u>\$ 100,667</u></u>

NOTE 6 TRUST AGREEMENT

The Corporation entered into a trust agreement with the Congregational Christian Church of East Orange, New Jersey in December 1976, whereby the Corporation agreed to act as trustee for the funds resulting from the dissolution of the church. As of April 1, 2020, the funds were transferred from the Corporation to the Foundation. The balance at March 31, 2025 of \$1,739,937 is included in investments, which are managed in accordance with the Foundation's uniform investment policies.

Investment income in excess of required amounts is allocated to certain other funds of the Corporation and other organizations in accordance with the trust agreement. The allocations amounted to approximately \$104,843 as of March 31, 2025. Also, \$35,000 has been accumulated to provide for financial assistance to past members.

The corpus of the trust plus \$35,000 accumulated for the members in need totaled \$854,609 as of March 31, 2025. The corpus plus the remaining net assets of the trust are classified as net assets with donor restrictions.

NOTE 7 TAX-DEFERRED ANNUITY PLAN

The Corporation participates in a tax-deferred annuity plan qualified under Section 403(b) of the IRC. Corporation contributions to the plan for the year ended March 31, 2025 was \$37,412.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE UNITED
STATES AND CONGREGATIONAL FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 8 INTENTIONS TO GIVE

The Foundation has received indications of gifts in the form of bequests which are revocable during the donors' lifetime. Due to the uncertain nature of these intentions and the unknown valuation, the Foundation has not recognized an asset or contribution revenue for these gifts.

NOTE 9 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31, 2025:

Land	\$ 23,990
Office Building and Improvements	552,973
Office Furniture and Equipment	868,116
Less Accumulated Depreciation	<u>(1,294,508)</u>
Net Property Plant and Equipment	<u><u>\$ 150,571</u></u>

Depreciation and amortization expense of property and equipment was \$32,582 for the year ended March 31, 2025.

NOTE 10 SIGNIFICANT CONCENTRATIONS AND CONTINGENCIES

The Corporation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Corporation to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of March 31, 2025, the Corporation had approximately \$655,000 in excess of FDIC insurance limits.

The Corporation received \$650,000 or 38% of its contributions from one donor, a closed church, for the year ended March 31, 2025.

NOTE 11 DESIGNATED NET ASSETS

Designated net assets consisted of the following at March 31, 2025:

General Board Designated Earnings	\$ 25,749
Lydamar Reese Funds	438,172
Building Fund	59,493
Employment Fund	13,049
Technology Fund	51,943
Encumbrance Fund	<u>339,997</u>
Total	<u><u>\$ 928,403</u></u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE UNITED
STATES AND CONGREGATIONAL FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of March 31, 2025 were \$19,481,439 and were restricted for a variety of purposes in accordance with the Corporation and Foundation's mission. Net assets with donor restrictions to be held in perpetuity as of March 31, 2025 were \$7,939,268. Net assets with donor restrictions were expended for the year ended March 31, 2025 as follows:

Shared Ministries	\$ 127,146
Travel	3,462
Ministerial Assistance and Enrichment	15,400
Aid	437,366
Theological Studies Fellows	111,071
Other	506,694
Total	<u>\$ 1,201,139</u>

NOTE 13 ENDOWMENT FUNDS

The Corporation's and Foundation's governing boards have interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation and Foundation classify as perpetual donor-restricted endowment funds (a) the original value of gifts donated to the Corporation's and Foundation's perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in perpetual donor-restricted endowment funds is classified as term donor-restricted endowment funds until those amounts are appropriated for expenditure by the Corporation and Foundation in a manner consistent with the standard of prudence prescribed by the WUPMIFA. In accordance with the WUPMIFA, the Corporation and Foundation consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds, (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Corporation and Foundation, and (7) the Corporation's and Foundation's investment policies.

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE UNITED
STATES AND CONGREGATIONAL FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

NOTE 13 ENDOWMENT FUNDS (CONTINUED)

Investment Return Objectives, Risk Parameters, and Strategies

The Corporation and Foundation have adopted investment and spending policies, approved by their respective governing boards, for endowment assets that attempt to provide a predictable stream of funding to programs supported by their endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The Corporation's and Foundation's endowment funds are invested in a well-diversified mix of bonds and equities that are intended to result in a consistent inflation protected rate of return that has sufficient liquidity to make an annual distribution while growing the funds, if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the funds to unacceptable levels of risk.

Spending Policy

The Corporation and Foundation each determine drawdown percentages based on their needs through budgeting. The drawdown percentage is then approved by the Board of Directors based on the recommendation of the Finance Committee for the Corporation and by the Board of Governors for the Foundation. The approved percentage is applied to a sixteen-quarter rolling average for the Corporation and the Foundation of the applicable fund balances in the Congregational Investment Trust. Traditionally, the drawdown percentage has been between four and six percent. For the Foundation, if there is no donor discretion as to how the funds are to be used, its governing board or its designee will determine the use of the funds.

A reconciliation of the Foundation's endowment activities is as follows:

	Term Endowment	Perpetual Endowment	Total
Balance, March 31, 2024	\$ 6,763,364	\$ 7,724,920	\$ 14,488,284
Net Investment Income	900,638	-	900,638
Contributions	-	214,348	214,348
Released from Restrictions	(511,919)	-	(511,919)
Balance, March 31, 2025	<u>\$ 7,152,083</u>	<u>\$ 7,939,268</u>	<u>\$ 15,091,351</u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
CORPORATION STATEMENT OF FINANCIAL POSITION
MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

ASSETS

Cash and Cash Equivalents	\$ 918,261
Investments	
Board Designated	928,403
Other Investments	4,640,615
Notes Receivable (Net of Allowance of \$25,000 at March 31, 2025)	100,667
Interfund Receivable	-
Property and Equipment, Net	150,571
Other Assets	85,721
	<hr/>
Total Assets	<u><u>\$ 6,824,238</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Annuity Obligations	\$ 20,152
Deferred Revenue	2,700
Interfund Payable	216,284
Other	187,077
	<hr/>
Total Liabilities	426,213

NET ASSETS WITHOUT DONOR RESTRICTIONS

Administration	1,079,534
Designated	928,403
	<hr/>
Total Net Assets Without Donor Restrictions	2,007,937

NET ASSETS WITH DONOR RESTRICTIONS

Administration	627,578
Mission and Outreach Ministry Council	946,819
Vitality Ministry Council	1,582,416
Building and Loan	931,941
Growth Ministry Council	301,334
	<hr/>
Total Net Assets With Donor Restrictions	4,390,088
	<hr/>
Total Net Assets	6,398,025
	<hr/>
Total Liabilities and Net Assets	<u><u>\$ 6,824,238</u></u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
CORPORATION STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions:			
Churches and Individuals	\$ 420,243	\$ 869,501	\$ 1,289,744
Special Gifts	100,691	108,165	208,856
Annual Meeting	64,465	17,421	81,886
Investment Income	91,318	254,643	345,961
Interest on Notes Receivable	-	1,254	1,254
Congregationalist Income	-	11,950	11,950
Other Publication Income	20,225	-	20,225
Miscellaneous	3,631	4,685	8,316
Net Assets Released from Restrictions	534,106	(534,106)	-
Total Revenue and Support	<u>1,234,679</u>	<u>733,513</u>	<u>1,968,192</u>
EXPENSES			
Program Support Services	970,141	-	970,141
Travel	16,468	-	16,468
Congregationalist Expense	41,917	-	41,917
Other Publication Expense	11,331	-	11,331
Annual Meeting	107,444	-	107,444
Ministerial Assistance and Development	15,400	-	15,400
Aid	437,366	-	437,366
Theological Studies Fellows	86,985	-	86,985
Depreciation	32,582	-	32,582
Total Expenses	<u>1,719,634</u>	<u>-</u>	<u>1,719,634</u>
INTERFUND TRANSFERS	<u>531,117</u>	<u>(154,709)</u>	<u>376,408</u>
CHANGE IN NET ASSETS	46,162	578,804	624,966
Net Assets - Beginning of Year	<u>1,961,775</u>	<u>3,811,284</u>	<u>5,773,059</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,007,937</u></u>	<u><u>\$ 4,390,088</u></u>	<u><u>\$ 6,398,025</u></u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
CORPORATION STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 624,966
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	32,582
Realized and Unrealized Gain on Investments	(152,517)
Changes in Assets and Liabilities:	
Other Assets	(9,643)
Interfund Receivable/Payable	295,490
Annuity Obligations	300
Deferred Revenue	(11,120)
Other Liabilities	106,831
Net Cash Provided by Operating Activities	<u>886,889</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Investments	610,000
Purchases of Investments	(147,807)
Transfers of Investments	(507,063)
Purchases of Property and Equipment	(10,850)
Payments Received on Note Receivable	13,225
Net Cash Used by Investing Activities	<u>(42,495)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

844,394

Cash and Cash Equivalents - Beginning of Year

73,867

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 918,261

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
FOUNDATION STATEMENT OF FINANCIAL POSITION
MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

ASSETS

Cash and Cash Equivalents	\$ 563
Investments	14,965,165
Interfund Receivable	<u>216,284</u>
Total Assets	<u><u>\$ 15,182,012</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Interfund Payable	\$ -
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NET ASSETS

Without Donor Restrictions	90,661
With Donor Restrictions	<u>15,091,351</u>
Total Net Assets	<u><u>15,182,012</u></u>
Total Liabilities and Net Assets	<u><u>\$ 15,182,012</u></u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
FOUNDATION STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions:			
Churches and Individuals	\$ 3,500	\$ 214,753	\$ 218,253
Investment Income	-	900,638	900,638
Net Assets Released from Restrictions	512,324	(512,324)	-
Total Revenue and Support	515,824	603,067	1,118,891
EXPENSES			
Program Support Services	72,664	-	72,664
Travel	166	-	166
Theological Studies Fellows	24,086	-	24,086
Miscellaneous	32,519	-	32,519
Transfer of Funds to NACCC	254,234	-	254,234
Total Expenses	383,669	-	383,669
INTERFUND TRANSFERS	(136,674)	-	(136,674)
CHANGE IN NET ASSETS	(4,519)	603,067	598,548
Net Assets - Beginning of Year	95,180	14,488,284	14,583,464
NET ASSETS - END OF YEAR	<u>\$ 90,661</u>	<u>\$ 15,091,351</u>	<u>\$ 15,182,012</u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
FOUNDATION STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 598,548
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Realized and Unrealized Gain on Investments	(431,441)
Contributed Securities	-
Contributions for Endowment Funds	(214,348)
Changes in Assets and Liabilities:	
Interfund Payable/Receivable	(295,490)
Net Cash Used by Operating Activities	<u>(342,731)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Investments	34,995
Purchases of Investments	(413,675)
Transfers of Investments	<u>507,063</u>
Net Cash Provided by Investing Activities	128,383

CASH FLOWS FROM FINANCING ACTIVITIES

Contributions to Endowment Funds	<u>214,348</u>
Net Cash Provided by Financing Activities	<u>214,348</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

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Cash and Cash Equivalents - Beginning of Year	<u>563</u>
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CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 563

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
SUPPLEMENTAL STATEMENT OF ACTIVITIES –
SHARED MINISTRIES
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions:			
Churches and Individuals	\$ 420,243	\$ -	\$ 420,243
Special Gifts	100,691	-	100,691
Annual Meeting	64,465	-	64,465
Investment Income	91,318	48,822	140,140
Other Publication Income	20,225	-	20,225
Miscellaneous	3,631	-	3,631
Net Assets Released From Restriction	12,554	(12,554)	-
Total Revenue and Support	<u>713,127</u>	<u>36,268</u>	<u>749,395</u>
EXPENSES			
Program Support Services	969,810	-	969,810
Travel	13,172	-	13,172
Congregationalist Expense	12,845	-	12,845
Other Publication Expense	44,557	-	44,557
Center for Congregational Leadership	2,160	-	2,160
Annual Meeting	107,782	-	107,782
Depreciation	32,582	-	32,582
Miscellaneous	2,620	-	2,620
Total Expenses	<u>1,185,528</u>	<u>-</u>	<u>1,185,528</u>
INTERFUND TRANSFERS	<u>518,563</u>	<u>(1,559)</u>	<u>517,004</u>
CHANGE IN NET ASSETS	46,162	34,709	80,871
Net Assets - Beginning of Year	<u>1,961,775</u>	<u>592,869</u>	<u>2,554,644</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,007,937</u></u>	<u><u>\$ 627,578</u></u>	<u><u>\$ 2,635,515</u></u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
SUPPLEMENTAL STATEMENT OF ACTIVITIES –
MISSION AND OUTREACH MINISTRY COUNCIL
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>With Donor Restrictions</u>
REVENUE AND SUPPORT	
Contributions:	
Churches and Individuals	\$ 711,472
Special Gifts	108,165
Investment Income	<u>33,606</u>
Total Revenue and Support	<u>853,243</u>
EXPENSES	
Program Support Services	6,346
Aid	<u>431,020</u>
Total Expenses	<u>437,366</u>
INTERFUND TRANSFERS	<u>(77,067)</u>
CHANGE IN NET ASSETS	338,810
Net Assets - Beginning of Year	<u>608,009</u>
NET ASSETS - END OF YEAR	<u><u>\$ 946,819</u></u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
SUPPLEMENTAL STATEMENT OF ACTIVITIES –
BUILDING AND LOAN
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>With Donor Restrictions</u>
REVENUE AND SUPPORT	
Investment Income	\$ 75,614
Interest on Notes Receivable	<u>1,254</u>
Total Revenue and Support	<u>76,868</u>
EXPENSES	
Program Support Services	3,505
Travel	-
Aid	<u>-</u>
Total Expenses	<u>3,505</u>
INTERFUND TRANSFERS	<u>(65,718)</u>
CHANGE IN NET ASSETS	7,645
Net Assets - Beginning of Year	<u>924,296</u>
NET ASSETS - END OF YEAR	<u><u>\$ 931,941</u></u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
SUPPLEMENTAL STATEMENT OF ACTIVITIES –
VITALITY MINISTRY COUNCIL
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>With Donor Restrictions</u>
REVENUE AND SUPPORT	
Contributions:	
Churches and Individuals	\$ 232,368
Annual Meeting	3,308
Investment Income	78,576
Congregationalist Income	11,950
Miscellaneous	4,685
Total Revenue and Support	<u>330,887</u>
EXPENSES	
Program Support Services	18,006
Ministerial Assistance and Development	39,337
Theological Studies Fellows	58,248
Total Expenses	<u>115,591</u>
INTERFUND TRANSFERS	<u>(7,712)</u>
CHANGE IN NET ASSETS	207,584
Net Assets - Beginning of Year	<u>1,374,832</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,582,416</u></u>

**NATIONAL ASSOCIATION OF CONGREGATIONAL CHRISTIAN CHURCHES OF THE
UNITED STATES AND CONGREGATIONAL FOUNDATION, INC.
SUPPLEMENTAL STATEMENT OF ACTIVITIES –
GROWTH MINISTRY COUNCIL
YEAR ENDED MARCH 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>With Donor Restrictions</u>
REVENUE AND SUPPORT	
Contributions:	
Churches and Individuals	\$ 350
Annual Meeting	14,113
Investment Income	<u>18,025</u>
Total Revenue and Support	32,488
EXPENSES	
Program Support Services	1,145
Travel	1,796
Other Publication	295
Continuing Education	2,800
Annual Meeting	28,766
Miscellaneous	177
Aid	<u>4,800</u>
Total Expenses	39,779
INTERFUND TRANSFERS	<u>(2,653)</u>
CHANGE IN NET ASSETS	(9,944)
Net Assets - Beginning of Year	<u>311,278</u>
NET ASSETS - END OF YEAR	<u><u>\$ 301,334</u></u>



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