ILLINI CHRISTIAN MINISTRIES, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
SEPTEMBER 30, 2021 AND 2020

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FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

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KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Illini Christian Ministries, Inc.
Champaign, Illinois

We have audited the accompanying financial statements of Illini Christian Ministries, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Illini Christian Ministries, Inc. as of September 30, 2021 and 2020, 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.

Sincerely,

Kemper CPA Group LLP

KEMPER CPA GROUP, LLP
Certified Public Accountants and Consultants
Champaign, Illinois
March 29, 2022

ILLINI CHRISTIAN MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 40,433	$ 36,597
Accounts Receivable	1,779	6,804
Investments	747,717	721,502
Prepaid Expenses	27,198	14,102
Total Current Assets	817,127	779,005
Property and Equipment:		
Furniture and Equipment	16,375	16,375
Leasehold Improvements	33,037	33,037
Vehicles	66,413	66,413
	115,825	115,825
Less: Accumulated Depreciation	(87,539)	(83,391)
Net Property and Equipment	28,286	32,434
TOTAL ASSETS	$ 845,413	$ 811,439
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued Expenses	$ 15,828	$ 34,046
Accounts Payable	-	2,585
Total Current Liabilities	15,828	36,631
Net Assets:		
With Donor Restrictions	-	1,807
Without Donor Restrictions	829,585	773,001
Total Net Assets	829,585	774,808
TOTAL LIABILITIES AND NET ASSETS	$ 845,413	$ 811,439

See accompanying notes to financial statements.

ILLINI CHRISTIAN MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021			**2020**		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
REVENUE						
Contributions and Bequests	$ 213,688	$ -	$ 213,688	$ 187,651	$ 11,181	$ 198,832
Adoption Fees	101,011	-	101,011	65,967	-	65,967
Grant Income	75,067	-	75,067	66,600	-	66,600
Interest and Dividend Income	11,867	-	11,867	18,040	-	18,040
Unrealized/Realized Gain (Loss) on Investments	101,089	-	101,089	30,351	-	30,351
Gain (Loss) on Disposal of Property and Equipment	-	-	-	-	-	-
In-Kind Donations	7,681	-	7,681	2,903	-	2,903
Miscellaneous	3,376	-	3,376	4,500	-	4,500
Total Revenue	513,779	-	513,779	376,012	11,181	387,193
Net Assets Released from Restrictions						
Restrictions Satisfied	1,807	(1,807)	-	9,374	(9,374)	-
Total Net Assets Released from Restrictions	1,807	(1,807)	-	9,374	(9,374)	-
Total Support and Revenue	515,586	(1,807)	513,779	385,386	1,807	387,193
EXPENSES						
Program Services	243,698	-	243,698	297,530	-	297,530
Management and General	155,470	-	155,470	120,967	-	120,967
Fundraising	59,834	-	59,834	74,784	-	74,784
Total Expenses	459,002	-	459,002	493,281	-	493,281
CHANGE IN NET ASSETS	56,584	(1,807)	54,777	(107,895)	1,807	(106,088)
NET ASSETS, BEGINNING OF YEAR	773,001	1,807	774,808	880,896	-	880,896
			-			-
NET ASSETS, END OF YEAR	$ 829,585	$ -	$ 829,585	$ 773,001	$ 1,807	$ 774,808

See accompanying notes to financial statements.

ILLINI CHRISTIAN MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program Services	Management & General	Fundraising	Total
EXPENSES				
Salaries	$ 132,258	$ 88,243	$ 42,153	$ 262,654
Payroll Taxes	9,617	5,792	2,767	18,176
Employee Benefits	32,134	20,485	9,785	62,404
Professional and Contractual	-	15,528	-	15,528
Birth Mother, Child Care, and Other Program Expenses	8,756	-	-	8,756
In-Kind Program Expenses	7,241	-	-	7,241
Insurance	13,824	3,456	-	17,280
Office Expenses	2,787	1,858	-	4,645
Advertising and Promotion	382	-	1,147	1,529
Professional Development	855	285	-	1,140
Travel and Vehicle Expense	4,901	1,634	-	6,535
Postage	-	173	1,560	1,733
Printing and Copying	-	2,422	2,422	4,844
Rent	17,688	8,712	-	26,400
Telephone and Utilities	6,212	3,060	-	9,272
Depreciation	2,780	1,369	-	4,149
Bad Debt Expense	2,627	-	-	2,627
Miscellaneous	1,636	2,453	-	4,089
TOTAL	$ 243,698	$ 155,470	$ 59,834	$ 459,002

See accompanying notes to financial statements.

ILLINI CHRISTIAN MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Services	Management & General	Fundraising	Total
EXPENSES				
Salaries	$ 169,785	$ 65,484	$ 53,228	$ 288,497
Payroll Taxes	11,838	4,566	3,711	20,115
Employee Benefits	38,477	14,840	12,063	65,380
Professional and Contractual	-	9,681	-	9,681
Birth Mother, Child Care, and Other Program Expenses	18,730	-	-	18,730
In-Kind Program Expenses	2,538	-	-	2,538
Insurance	12,958	3,239	-	16,197
Office Expenses	2,524	1,683	-	4,207
Advertising and Promotion	588	-	1,764	2,352
Professional Development	1,267	422	-	1,689
Travel and Vehicle Expense	5,054	1,685	-	6,739
Postage	-	216	1,940	2,156
Printing and Copying	-	2,078	2,078	4,156
Rent	17,688	8,712	-	26,400
Telephone and Utilities	7,905	3,894	-	11,799
Depreciation	3,201	1,576	-	4,777
Bad Debt Expense	3,050	-	-	3,050
Miscellaneous	1,927	2,891	-	4,818
TOTAL	$ 297,530	$ 120,967	$ 74,784	$ 493,281

See accompanying notes to financial statements.

ILLINI CHRISTIAN MINISTRIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 54,777	$ (106,088)
Depreciation Expense	4,149	4,777
Unrealized/Realized (Gain) Loss on Investments	(101,089)	(30,351)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
(Increase) Decrease In:		
Prepaid Expenses	(13,096)	(378)
Accounts Receivable	5,025	(79)
Increase (Decrease) In:		
Accounts Payable	(2,585)	848
Accrued Expenses	(18,218)	3,204
Net Cash Provided by (Used in) Operating Activities	(71,037)	(128,067)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(15,293)	(230,000)
Sale of Investments	99,893	334,001
Reinvested Interest and Dividends	(9,727)	(16,870)
Net Cash Provided by (Used in) Investing Activities	74,873	87,131
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,836	(40,936)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	36,597	77,533
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 40,433	$ 36,597

See accompanying notes to financial statements.

NOTE 1: ORGANIZATION AND NATURE OF ACTIVITIES

Nature of Activities

Illini Christian Ministries, Inc. (the Organization) is a nonprofit corporation formed in 1967 and incorporated in the State of Illinois. The Organization's purpose is protecting and caring for children at risk and preserving families throughout the State of Illinois. The Organization is supported primarily through contributions from churches and individuals throughout Illinois.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Management has evaluated subsequent events through March 29, 2022, the date which the financial statements were available to be issued.

Basis of Accounting

The Organization uses the accrual method of accounting for financial statement reporting. Revenues are recognized when services are rendered and expenses are recognized when obligations are incurred.

Financial Statement Presentation

The Organization's net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor or grantor 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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 may be 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.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Net Asset Classifications

All contributions are considered to be available for use without donor restriction unless specifically restricted by the donor. If a restriction is placed by the donor on the contribution but the restriction is fulfilled in the same period in which the contribution is received, the Organization also reports the support as without donor restriction.

For the year ended September 30, 2021, the Organization did not have any net assets with donor restrictions. For the year ended September 30, 2020 the Organization had $1,807 of donor restricted net assets restricted for assisting family care clients with COVID-19 related expenses.

Contributed Services

Contributed services are reported as contribution revenue and as assets or expenses only if the services create or enhance a non-financial asset (for example property and equipment) or:

- Would typically need to be purchased by the Organization if the services had not been provided by contribution

- Require specialized skills

- Are provided by individuals with those skills (such as accountants, architects, carpenters, doctors, electricians, lawyers, nurses, plumbers, teachers, and other professionals and craftsmen)

The Organization did not recognize any contributed services during the years ended September 30, 2021 and 2020.

Cash and Cash Equivalents

The Organization considers all highly liquid checking, savings, money market, and highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents. Accounts at each institution were insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 for the years ended September 30, 2021 and 2020.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an allowance reduction for credit losses that reflects management’s best estimate of the amounts that will not be collected. The allowance is based on experience and other circumstances which may affect the ability of customers and other agencies to meet their obligations. Accounts receivable are written off as a charge to the allowance for credit losses when, in management’s estimation, it is probable that the receivable is worthless.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

Accounts receivable represent primarily amounts due from clients and are due within 30 days. Accounts receivable are considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Interest is not charged on accounts receivable. Management did not consider any of the accounts receivable uncollectible at September 30, 2021 and 2020; therefore, there was no allowance recorded as of those dates.

Investments

The Organization's investments include certificates of deposit, mutual funds, and other fixed income securities. Investments are carried at fair value with unrealized gains and losses recognized as an increase or decrease in net assets without donor restrictions on the Statement of Activities.

Property and Equipment

Property and equipment is valued at cost, or if donated, at fair value as of the date recorded as a gift. Property and equipment are being depreciated over the useful lives of the assets using the straight-line method. Generally, property and equipment are capitalized when the cost exceeds $500. The cost of normal maintenance and repairs that do not add to the value of the asset or increase the functionality of the asset are not capitalized.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and is not classified by the Internal Revenue Service to be a private foundation under section 509(a) of the Internal Revenue Code.

The Organization files information tax returns in the U.S. Federal and Illinois jurisdictions. The Organization is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years ending prior to September 30, 2018.

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 and 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.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. This presentation requires allocation of expenses on a reasonable basis that is consistently applied. Salaries and benefits are allocated based on the Organization's best estimate of the time spent by employees on program service vs. supporting service functions. The remaining expenses are allocated based on the Organization's best estimate of the resources consumed by program service vs. supporting service functions.

Advertising

The Organization expenses advertising costs as incurred. Total advertising costs were $1,529 and $2,352 for the fiscal years ended September 30, 2021 and 2020, respectively.

Liquidity and Availability

The Organization has $789,929 of financial assets available within one year of September 30, 2021 to meet cash needs for general expenditures, consisting of cash and cash equivalents of $40,433, receivables totaling $1,779, and investments of $747,717. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of September 30, 2021.

Paycheck Protection Program Loan

The Organization is accounting for the Paycheck Protection Program loan as a grant in accordance with FASB ASC 958-605-15, Not-for Profit Entities, Revenue Recognition of Contributions Received. Grant revenue is recognized as qualifying expenses are incurred and conditions for cancellation of the liability are substantially met.

New Accounting Pronouncements

Effective October 1, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to ASU 2014-09 (collectively, "ASC 606"), as management believes these standards improve the usefulness of understandability of the Organization's financial reporting.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

New Accounting Pronouncements (Concluded)

ASU 2018-08 clarifies the distinction between contributions and exchange-like transactions, which affects when revenue from such transactions is recognized. ASC 606 creates a single framework for recognizing revenue from contracts with customers that fall within its scope and requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Organization’s revenues that fall within the scope of ASC 606 include adoption fees and other program service revenues. The Organization recognizes program fees revenue in the period in which it satisfies the performance obligations which are defined by management as individual services rendered to program participants.

The adoption of ASC 606 did not result in any material changes in the Organization’s financial statements.

NOTE 3: LEASE COMMITMENTS

The Organization leases office space at 3 Henson Place in Champaign, Illinois. The original lease began on November 10, 2016 and expires on January 31, 2022. Rent due under the lease is $2,200 per month through January 31, 2022. In August of 2021 the Organization renewed the lease for the period of February 1, 2022 to January 31, 2025 with rent due at $2,400 per month. The new lease has two additional three year renewal options.

Total rent expense for the years ended September 30, 2021 and 2020 was $26,400.

Future minimum lease payments are as follows:

September 30, 2022	$ 28,000
September 30, 2023	28,800
September 30, 2024	28,800
September 30, 2025	9,600
Total lease commitments	$ 95,200

NOTE 4: CONCENTRATION OF RISK

During the years ended September 30, 2021 and 2020, approximately 42 percent and 51 percent, respectively, of the Organization’s total support and revenue is from contributions from churches and individuals in the local geographic area. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization’s programs and activities.

NOTE 5: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820*, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodology used at September 30, 2021 or 2020.

Mutual Funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV), to transact at that price, and are deemed to be actively traded.

Certificates of Deposit – Valued based on the closing price reported on the active market where the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

NOTE 5: FAIR VALUE MEASUREMENTS (CONCLUDED)

Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30, 2021:

Assets at Fair Value as of September 30, 2021

	Level 1	Level 2	Level 3	Total
Equity & Fixed Income Mutual Funds & ETFs	$ 732,424	$ -	$ -	$ 732,424
Money Market Mutual Fund	15,293	-	-	15,293
Total Asset Fair Value	$ 747,717	$ -	$ -	$ 747,717

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30, 2020:

Assets at Fair Value as of September 30, 2020

	Level 1	Level 2	Level 3	Total
Equity & Fixed Income Mutual Funds	$ 572,822	$ -	$ -	$ 572,822
Money Market Mutual Fund	148,680	-	-	148,680
Total Asset Fair Value	$ 721,502	$ -	$ -	$ 721,502

NOTE 6: RETIREMENT PLAN

The Organization has established a Section 403(b) plan, which combines pre-tax employee salary deferrals and employer contributions. All contributions including both employee and employer contributions to the plan are 100% vested at all times. The Organization contributes 5% of participating employees' salaries. For the year ended September 30, 2021 and 2020, the Organization contributed $12,917 and $13,699, respectively.

NOTE 7: PPP LOAN PROCEEDS

In April of 2020, the Organization received loan proceeds in the amount of $66,600, pursuant to the first round of the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after the covered period, up to 24-weeks, if the borrower uses the PPP loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels.

The amount of the forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, up to 24-weeks. The unforgiven portion of the PPP loan is payable over 2 years at an interest rate of 1%, with a deferral of payments for the first 10 months.

The Organization was notified in October 2020 that the full amount of the loan was forgiven and the $66,600 was recognized as grant income for the year ended September 30, 2020. For the year ended September 30, 2021, the Organization recognized $75,067 in grant income pursuant to the second round of the PPP.

NOTE 8: RISKS AND UNCERTAINTIES

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position.

NOTE 9: EFFECT OF COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic, prompting many organizations to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy. We believe the ultimate financial impact of the COVID-19 pandemic on the Organization is likely to be determined by factors which are uncertain, unpredictable, and outside of the control of the Organization. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could materially adversely affect future revenues.