

Victory Church 2024 Audit Summary and Overview

Prepared by Divine, Blalock, Martin & Sellari, LLC, CPAs

Audit Year: December 31, 2024

Purpose of the Audit

As part of our ongoing commitment to financial transparency and faithful stewardship, Victory Church engaged the independent accounting firm **Divine, Blalock, Martin & Sellari, LLC** to perform a full financial statement audit for the year ended December 31, 2024.

The purpose of this audit is to provide assurance to our congregation, leadership, and community that the Church's finances are handled with integrity and care, and that all contributions are managed in alignment with our mission and purpose.

What the Audit Involved

The audit encompassed a detailed review of Victory Church's financial activities, records, and statements, which are prepared using the **modified cash basis of accounting**—a framework that focuses on actual cash receipts and disbursements while recognizing long-term assets and obligations.

Auditors examined supporting documentation, tested selected transactions, reviewed policies and procedures, and evaluated the overall presentation of the financial statements in accordance with generally accepted auditing standards. This independent review provides an extra layer of confidence that financial reports accurately reflect the Church's stewardship and operations throughout the year.

Summary of Results

The audit concluded with an **unmodified ("clean") opinion**, meaning the auditors found that the 2024 financial statements **present fairly, in all material respects**, the financial position and results of Victory Church.

No material weaknesses, irregularities, or misstatements were identified. The auditors noted that management's accounting practices and internal processes are appropriate, consistent, and aligned with accepted standards for nonprofit organizations.

2024 Financial Highlights

During 2024, Victory Church continued to demonstrate strong financial health and responsible stewardship. **Total revenues reached approximately \$11.9 million**, reflecting God's continued provision through the faithfulness of our members and partners. Of that amount, **tithes and offerings accounted for about \$10.6 million**, while registration fees, bookstore sales, and other ministry income contributed an additional \$1.3 million combined.

Expenses for the year totaled **\$9.6 million**, encompassing the wide range of ministry programs, worship services, outreach efforts, and operational costs that allow Victory to serve across its multiple campuses. After these expenditures, the Church reported a **net increase in assets of \$2.3 million**, resulting in **total net assets of \$8.6 million** at year-end.

Of this balance, **\$214,597 represented donor-restricted funds** designated for specific projects such as building improvements and campus development. In 2024, approximately **\$1.14 million of previously restricted funds were released** and used toward enhancements to the Church's facilities and ministry initiatives, fulfilling donor intentions.

At December 31, 2024, the Church's **total assets stood at nearly \$14 million**, including **\$11.3 million in property, buildings, and equipment** that support the Church's day-to-day ministry and outreach. Cash and investments totaled **\$2.6 million**, while outstanding debt related primarily to church mortgages totaled **\$5.3 million**, reflecting a healthy and manageable balance relative to total assets.

Overall, Victory Church ended the year in a strong financial position, with sufficient liquidity to meet operating needs and capacity to continue investing in ministry growth and infrastructure.

Stewardship and Next Steps

The results of the 2024 audit affirm that Victory Church continues to demonstrate transparency, accountability, and faithful management of every resource entrusted to its care.

We are deeply grateful for the generosity and trust of our congregation, whose support enables us to expand our impact and continue fulfilling our mission — *to equip people to live, move, and be in the presence of God.*

Through wise financial management, ongoing oversight, and God's provision, Victory Church remains well-positioned to serve our community, support our ministries, and pursue the vision of transforming lives through faith.

**VICTORY CHRISTIAN CENTER, OKLAHOMA CITY, INC.
D/B/A VICTORY CHURCH**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

VICTORY CHRISTIAN CENTER, OKLAHOMA CITY, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Session of
Victory Christian Center, Oklahoma City, Inc.
4300 N MacArthur Blvd
Warr Acres, OK 73122

Opinion

We have audited the accompanying financial statements of Victory Christian Center, Oklahoma City, Inc. (the "Church") d/b/a Victory Church, which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2024, and the related statement of revenues, expenses and changes in net assets—modified cash basis, and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets—modified cash basis of Victory Christian Center, Oklahoma City, Inc. as of December 31, 2024, and its related statement of revenues collected and expenses paid and changes in net assets—modified cash basis for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Victory Christian Center, Oklahoma City, 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.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's 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 auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Victory Christian Center, Oklahoma City, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Victory Christian Center, Oklahoma City, 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.

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC

West Palm Beach, Florida
September 17, 2025

Victory Christian Center, Oklahoma City, Inc.
Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis
December 31, 2024

Assets

Current Assets

Cash and cash equivalents	\$ 1,952,633
Restricted cash	214,597
Investments	411,882
Inventory	18,457
Prepaid expenses and other assets	<u>127,567</u>

Total Current Assets	2,725,136
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Fixed Assets

Land	579,288
Building and improvements	15,873,534
Leasehold improvements	86,855
Furniture and equipment	5,241,292
Vehicles	390,518
Accumulated depreciation	<u>(10,900,575)</u>

Total Fixed Assets	<u>11,270,912</u>
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Total Assets	<u><u>\$ 13,996,048</u></u>
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See Independent Auditor's Report and Accompanying Notes

Victory Christian Center, Oklahoma City, Inc.
Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis
December 31, 2024

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 37,010
Credit cards payable	41,276
Accrued expenses	6,515
Current portion of long-term debt	<u>508,079</u>

Total Current Liabilities 592,880

Long-Term Liabilities

Loans payable, net of current portion	4,806,729
Unamortized debt issuance costs	<u>(23,467)</u>

Total Long Term Liabilities 4,783,262

Total Liabilities 5,376,142

Net Assets

Unrestricted	
Without donor restrictions	8,405,309
With donor restrictions	<u>214,597</u>

Total Net Assets 8,619,906

Total Liabilities and Net Assets \$ 13,996,048

Victory Christian Church, Oklahoma City, Inc.
Statement of Cash Flows - Modified Cash Basis
For the Year Ended December 31, 2024

Cash Flows From Operating Activities:

Increase in Net Assets	\$ 2,343,022
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Adjustments to Reconcile Net Assets to Net Cash

Provided by Operating Activities:

Depreciation	737,312
Amortization reflected as interest expense	2,778
Unrealized gain on investments	(14,367)
(Increase)/Decrease in accounts receivable	60
(Increase)/Decrease in inventory	(13,514)
(Increase)/Decrease in prepaid expenses	(65,357)
Increase/(Decrease) in operating liabilities	(97,960)
Net Cash Provided by Operating Activities	<u>2,891,974</u>

Cash Flows From Investing Activities:

Purchase of fixed assets	(1,381,417)
Purchase of investments	(386,567)
Net Cash Used by Investing Activities	<u>(1,767,984)</u>

Cash Flows From Financing Activities:

Principal debt payments	(503,660)
Net Cash Used by Financing Activities	<u>(503,660)</u>

Net Increase in Cash and Cash Equivalents	620,330
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Cash and Cash Equivalents, beginning of year	<u>1,546,900</u>
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Cash and Cash Equivalents, end of year	<u><u>\$ 2,167,230</u></u>
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See Independent Auditor's Report and Accompanying Notes

VICTORY CHRISTIAN CENTER, OKLAHOMA CITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Victory Christian Center, Oklahoma City, Inc. d/b/a Victory Church was incorporated in the State of Oklahoma on March 1997. The vision of Victory is to equip people to live, move, and be in the presence of God. This vision is carried out by demonstrating the love of God across all races, cultures, and generations through corporate worship, teaching of biblical truths, and media outreach. During 2024, the Church operated locations in Warr Acres and Edmond, Oklahoma, as well as Grapevine, Texas.

Basis of Accounting

The accompanying financial statements have been prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). Under this basis, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and asset purchases are recognized when cash is disbursed rather than when the obligation is incurred.

Under its modified cash basis, the Church capitalizes inventory at cost and recognizes inventory sold as cost of goods sold when the related revenue is recognized. Costs incurred that benefit future periods are recorded as prepaid expenses or deposits, and revenues received that benefit future periods are recorded as unearned revenue. Property and equipment are capitalized at cost and depreciated over their estimated useful lives. Debt is recognized as it matures or to the extent the liability is expected to be liquidated with expendable available financial resources, with any remaining portion reflected as a noncurrent long-term liability. Interest expense on debt is recognized when incurred, and amounts owed to vendors are recorded as accounts payable.

Basis of Presentation

In accordance with the Financial Accounting Standard Board in its FASB Accounting Standards Codification ("ASC") topic 958, the Church reports information on its net assets and revenues, expenses, and gains and losses 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 not subject to donor-imposed stipulations. The Session has designated certain net assets for operating contingencies to be expended as approved by Session. These designated net assets are reflected as a component of net assets without donor restrictions.

VICTORY CHRISTIAN CENTER, OKLAHOMA CITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are perpetual in nature resulting from donors requiring that the donations be maintained in perpetuity. Other donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, or by other events or use specified by the donor. 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.

Liquidity

Assets are presented in the accompanying statement of assets, liabilities, and net assets modified cash basis according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

Income Tax Status and Uncertain Tax Positions

The Church is a not-for-profit organization exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code, although net income derived from unrelated business activities, if any, would be subject to income taxes. The Church is not aware of any revenues from unrelated business activities. Accordingly, no provision for income taxes is applicable and the Church is not aware of any uncertain tax positions.

Contributions

All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor's stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the accompanying statement of revenues collected and expenses paid-modified cash basis.

Donated Services

No amounts have been reflected in the accompanying financial statements for donated services. The Church generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Church, but these services do not meet the current accounting standard requirement recognition as contributed services.

VICTORY CHRISTIAN CENTER, OKLAHOMA CITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets and Equipment

Donations of equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments

Investments are carried at fair value determined by quoted market prices in accordance with current accounting standards.

Inventories

Inventory consists of materials for the bookstore and coffee shop and is valued at the lower of cost or market with cost being determined using the first in, first out (FIFO) method.

Property and Equipment

Acquisitions of property and equipment in excess of \$3,000 with a useful life greater than one year are capitalized. Property and equipment are carried at cost or if donated, at the approximate fair value at the date of donation. Property and equipment are depreciated using the straight-line method calculated over the estimated useful lives of 3-40 years.

VICTORY CHRISTIAN CENTER, OKLAHOMA CITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Live Asset

The Church's long-lived assets include land, buildings, and equipment. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the fair value of the related asset. As of December 31, 2024, management did not identify any material impairment of the Church's long-lived assets.

Leases

The Church recognizes lease payments as expenses when paid. Lease agreements in place during the year are for the use of certain office and ministry equipment and are not recorded as assets or liabilities in the accompanying financial statements.

Concentration of Credit Risk

The Church maintains cash balances at financial institutions which at times may exceed federally insured limits. Management does not believe there is a significant risk of loss related to these balances. At December 31, 2024, the deposits with financial institutions exceeded federal deposit insurance by \$1,335,649.

NOTE B - LIQUIDITY

The following reflects the Church's financial assets as of the statement of financial position date, reduced by amounts not available for general expenditures within one year of the statement of financial position date ending December 31:

Financial assets:	
Cash and cash equivalents	\$ 2,167,230
Investments	411,882
Total financial assets, at year end	<u>2,579,112</u>
Less those unavailable for general expenditures within one year due to:	
Donor restricted	<u>(214,597)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,364,515</u>

VICTORY CHRISTIAN CENTER, OKLAHOMA CITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE C - INVESTMENTS

Investments at December 31, 2024 consist solely of U.S. Treasury bills, which are stated at fair value. Interest income is recognized when received.

At December 31, 2024, investments totaled \$411,882, all classified as Level 1 in the fair value hierarchy, based on unadjusted quoted prices in active markets for identical securities.

NOTE D - PROPERTY AND EQUIPMENT

During the year ended December 31, 2024, depreciation expense was \$737,312.

NOTE E - NOTES PAYABLE

The following is a summary of all notes payable.

	<u>Principal</u>	<u>Unamortized Debt Issuance Costs</u>
Note secured by the Church's Warr Acres land and building to First Bank of Owasso, interest rate of 7.5% and payments of \$53,700 as of 12/31/24, payments due monthly through March 2031.	\$ 3,096,684	\$ 6,727
Note secured by the Church's Edmond land and building to First Bank of Owasso, interest rate of 7.5% and payments of \$24,000 as of 12/31/24, payments due monthly through January 2037.	2,165,672	16,740
Auto loan payable to Ford Credit, interest rate of 11.24% and payments of \$1,318 due monthly through February 2029.	<u>52,452</u>	<u>-</u>
Total	5,314,808	\$ <u>23,467</u>
Current maturity	<u>(508,079)</u>	
Long-term debt, less current portion	<u>\$ 4,806,729</u>	

VICTORY CHRISTIAN CENTER, OKLAHOMA CITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE E - NOTES PAYABLE (CONTINUED)

Annual maturities of long-term debt for the next five years and thereafter are as follows:

2025	\$ 508,079
2026	553,940
2027	603,950
2028	657,593
2029	703,345
Thereafter	<u>2,287,901</u>
	<u>\$ 5,314,808</u>

NOTE F - EMPLOYEE BENEFIT PLAN

The Church sponsors two defined contribution retirement plans for eligible employees: a 403(b) plan and a SIMPLE IRA plan. The 403(b) plan is authorized by the Church's board of directors and allows employees to make voluntary salary deferral contributions. The SIMPLE IRA plan is established under IRS Form 5304-SIMPLE and permits eligible employees to make salary reduction contributions, with the Church providing either matching contributions up to 3% of compensation or a 2% nonelective contribution to all eligible employees, as determined annually. All contributions are fully vested when made. Retirement plan expense for the year ended December 31, 2024, was \$65,000 for the 403(b) plan and \$21,144 for the SIMPLE IRA plan.

NOTE G - OPERATING LEASES

Periodically, the Church leases equipment and real estate under operating leases. These lease payments are included in lease expense on the statement of activities – modified cash basis. Lease expense for the year ended December 31, 2024 was \$62,289. Future minimum lease payments as of December 31, 2024 are as follows:

2025	\$ 29,513
2026	13,167
2027	4,197
2028	4,197
2029	1,649
Thereafter	<u>-</u>
	<u>\$ 52,723</u>

VICTORY CHRISTIAN CENTER, OKLAHOMA CITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2024, the Church reported net assets with donor restrictions of \$214,597, which are restricted by donors for church improvements and campus development projects (e.g., property, building, and facility enhancements).

During the year ended December 31, 2024, the Church released \$1,143,021 from donor restrictions as expenditures were made on projects consistent with donor stipulations.

NOTE I – CONTRIBUTED NONFINANCIAL ASSETS

The Church received donated goods and supplies valued at approximately \$1,350 during the year ended December 31, 2024. These items were measured at estimated fair value on the date of donation and were utilized in ministry operations during the year.

NOTE J - SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 17, 2025, the date these financial statements were available to be issued and nothing has occurred that would require recognition or disclosure.