

# **Vineyard Community Church and Affiliates**

**Consolidated Financial Statements with  
Accompanying Information  
August 31, 2024 and 2023 and  
Independent Auditors' Report**

**VINEYARD COMMUNITY CHURCH AND AFFILIATES**  
**August 31, 2024 and 2023**

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## Independent Auditors' Report

To the Board of Elders  
Vineyard Community Church and Affiliates  
Cincinnati, Ohio

### Opinion

We have audited the accompanying consolidated financial statements of Vineyard Community Church and Affiliates (a nonprofit organization) which comprise the consolidated statements of financial position as of August 31, 2024 and 2023, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Vineyard Community Church and Affiliates as of August 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Vineyard Community Church and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 Vineyard Community Church and Affiliates' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

**Independent Auditor's Report  
(Continued)**

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

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 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 Vineyard Community Church and Affiliates' 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 Vineyard Community Church and Affiliates' 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.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position and consolidating statement of activities on pages 17 - 18 are presented for purposes of additional analysis and are not a required part of the 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 audits of the 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Barnes, Dennig & Co., Ltd.*

December 17, 2024  
Cincinnati, Ohio

**VINEYARD COMMUNITY CHURCH AND AFFILIATES**

**Consolidated Statements of Financial Position  
August 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Cash	\$ 1,196,576	\$ 3,164,149
Grants and contributions receivable, net	182,410	236,579
Investments	4,642,096	3,981,959
Inventory	50,263	68,586
Prepaid expenses	32,120	69,534
Right of use assets - operating leases	115,698	144,480
Property and equipment, net	15,245,519	16,040,271
Total assets	\$ 21,464,682	\$ 23,705,558
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 181,491	\$ 1,041,046
Accrued expenses	228,109	270,614
Lease liabilities - operating leases	126,697	155,378
Notes payable, net	4,922,888	6,489,530
Total liabilities	5,459,185	7,956,568
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	5,030,190	5,318,268
Invested in property and equipment, net of related debt	10,322,631	9,550,741
Board designated	362,104	678,104
Total without donor restrictions	15,714,925	15,547,113
With donor restrictions	290,572	201,877
Total net assets	16,005,497	15,748,990
Total liabilities and net assets	\$ 21,464,682	\$ 23,705,558

See accompanying notes to consolidated financial statements

**VINEYARD COMMUNITY CHURCH AND AFFILIATES**

**Consolidated Statement of Activities  
Year Ended August 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, gains and other support</b>			
Contributions	\$ 8,387,689	\$ 340,787	\$ 8,728,476
Noncash contributions	2,333,310	-	2,333,310
Grants	6,228	128,000	134,228
Seminars, retreats, fees and other	125,412	-	125,412
The Café	16,848	-	16,848
Investment return	280,607	-	280,607
Net assets released from restrictions	380,092	(380,092)	-
	11,530,186	88,695	11,618,881
<b>Expenses</b>			
Programs	9,689,523	-	9,689,523
Administrative	1,473,172	-	1,473,172
Fundraising	199,679	-	199,679
	11,362,374	-	11,362,374
<b>Change in net assets</b>	167,812	88,695	256,507
<b>Net assets, beginning of year</b>	15,547,113	201,877	15,748,990
<b>Net assets, end of year</b>	\$ 15,714,925	\$ 290,572	\$ 16,005,497

See accompanying notes to consolidated financial statements

**VINEYARD COMMUNITY CHURCH AND AFFILIATES**

**Consolidated Statement of Activities  
Year Ended August 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, gains and other support</b>			
Contributions	\$ 8,041,943	\$ 483,653	\$ 8,525,596
Noncash contributions	1,994,321	-	1,994,321
Grants	170,954	75,000	245,954
Seminars, retreats, fees and other	96,630	-	96,630
The Café	10,987	-	10,987
Investment return	172,278	-	172,278
Net assets released from restrictions	582,955	(582,955)	-
Total revenue, gains and other support	11,070,068	(24,302)	11,045,766
<b>Expenses</b>			
Programs	9,657,128	-	9,657,128
Administrative	1,502,144	-	1,502,144
Fundraising	185,002	-	185,002
Total expenses	11,344,274	-	11,344,274
<b>Change in net assets</b>	(274,206)	(24,302)	(298,508)
<b>Net assets, beginning of year</b>	15,821,319	226,179	16,047,498
<b>Net assets, end of year</b>	\$ 15,547,113	\$ 201,877	\$ 15,748,990

See accompanying notes to consolidated financial statements

## VINEYARD COMMUNITY CHURCH AND AFFILIATES

### Consolidated Statements of Functional Expenses Years Ended August 31, 2024 and 2023

	2024				2023			
	Program	Administrative	Fundraising	Total	Program	Administrative	Fundraising	Total
Salaries and related	\$ 3,270,688	\$ 923,679	\$ 119,945	\$ 4,314,312	\$ 3,557,370	\$ 998,692	\$ 85,456	\$ 4,641,518
Noncash donations	2,365,806	-	-	2,365,806	2,007,711	-	-	2,007,711
Depreciation and amortization	1,416,523	47,406	-	1,463,929	1,339,710	43,010	-	1,382,720
Facilities maintenance	379,852	11,668	-	391,520	324,436	10,034	-	334,470
Professional fees	77,587	283,688	-	361,275	101,509	322,641	-	424,150
Rent and utilities	327,309	21,670	-	348,979	295,216	12,391	-	307,607
Grants to other organizations	318,982	-	-	318,982	368,224	-	4,806	373,030
Missions	285,238	-	-	285,238	365,294	245	483	366,022
Regional support	236,743	-	-	236,743	227,031	-	-	227,031
Interest	227,498	7,036	-	234,534	267,163	8,263	-	275,426
Events	200,891	15	925	201,831	265,246	-	-	265,246
Equipment	12,178	88,775	-	100,953	14,802	44,983	-	59,785
Property, liability and auto insurance	72,156	20,360	-	92,516	64,052	19,866	-	83,918
Production	92,103	-	-	92,103	92,885	-	-	92,885
Relationship development	71,671	1,029	1,450	74,150	57,136	1,465	597	59,198
Staff development	24,309	41,338	57	65,704	38,437	26,399	27	64,863
Fundraising	-	-	64,715	64,715	401	-	82,984	83,385
Advertising	36,738	18,571	-	55,309	33,330	2,465	-	35,795
Volunteer recruiting and management	53,223	514	750	54,487	57,043	255	55	57,353
Hospitality	52,138	-	56	52,194	54,489	-	90	54,579
Ministry supplies	41,201	1	-	41,202	29,592	-	-	29,592
Church Plant grant	40,000	-	-	40,000	-	-	-	-
Teaching resources	35,699	-	4,034	39,733	35,498	-	6,347	41,845
Office supplies	19,362	1,035	1,142	21,539	40,929	(3,147)	529	38,311
Printing	20,279	701	6,605	27,585	19,624	7,518	3,628	30,770
Café	9,735	-	-	9,735	-	-	-	-
Property taxes	1,614	5,686	-	7,300	-	7,064	-	7,064
	<u>\$ 9,689,523</u>	<u>\$ 1,473,172</u>	<u>\$ 199,679</u>	<u>\$ 11,362,374</u>	<u>\$ 9,657,128</u>	<u>\$ 1,502,144</u>	<u>\$ 185,002</u>	<u>\$ 11,344,274</u>

See accompanying notes to consolidated financial statements



**VINEYARD COMMUNITY CHURCH AND AFFILIATES**

**Consolidated Statements of Cash Flows  
Years Ended August 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 256,507	\$ (298,508)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	1,463,929	1,382,720
Net realized and unrealized gains on investments	(20,369)	(29,715)
Funds raised on behalf of others	53,320	1,008,505
Distributions of funds raised on behalf of others	(753,320)	(308,505)
Debt refinance costs	(46,207)	-
Noncash lease expense	101	10,898
Changes in:		
Grants and contributions receivable, net	54,169	(20,844)
Inventory	18,323	(5,767)
Prepaid expenses	37,414	(35,023)
Accounts payable	(159,555)	(28,635)
Accrued expenses	(42,505)	(5,810)
	<u>861,807</u>	<u>1,669,316</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(590,904)	(1,174,286)
Purchase of investments	(639,768)	(523,480)
	<u>(1,230,672)</u>	<u>(1,697,766)</u>
<b>Cash flows from financing activities</b>		
Principal payments on notes payable	(1,598,708)	(509,573)
<b>Net change in cash</b>	(1,967,573)	(538,023)
<b>Cash, beginning of year</b>	<u>3,164,149</u>	<u>3,702,172</u>
<b>Cash, end of year</b>	<u>\$ 1,196,576</u>	<u>\$ 3,164,149</u>
<b>Supplemental cash flows information</b>		
Cash paid for interest	<u>\$ 234,534</u>	<u>\$ 275,426</u>

See accompanying notes to consolidated financial statements

# VINEYARD COMMUNITY CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Operations and Principles of Consolidation*

The consolidated financial statements include the accounts of Vineyard Community Church and Affiliates. There are four entities collectively referred to in this report as “Vineyard” consisting of: Vineyard Community Church, The Healing Center, Vineyard Ministries, LLC, and the Outward Focused Foundation. All material inter-organizational transactions have been eliminated.

Vineyard Community Church was incorporated as a not-for-profit organization under the laws of the State of Ohio and commenced operations in July 1986. Vineyard operates as a church in the Greater Cincinnati area.

Programs of Vineyard Community Church include weekly worship services, education programs and other Christian ministries. These ministries include activities that promote spiritual growth as disciples of Jesus, pastoral care, youth programs, education on the ministry of the Holy Spirit, as well as generosity and stewardship, etc.

The Healing Center, Inc. was incorporated as a not-for-profit organization under the laws of the State of Ohio and commenced operations in April 1999. The Healing Center offers practical, social, and spiritual support to individuals and families.

Vineyard Ministries, LLC, a limited liability company whose sole member is Vineyard Community Church, was established under the laws of the State of Ohio in 2007 in order to obtain the land and building associated with the Student Union and Healing Center facilities. There was no activity during August 31, 2024 and 2023.

Outward Focused Foundation was incorporated as a not-for-profit organization under the laws of the State of Ohio in July 2010 in order to raise and expend funds in support of the charitable missions of Vineyard Community Church and The Healing Center. There was no activity during August 31, 2024 and 2023.

#### *Financial Statement Presentation*

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). Vineyard is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### *Fair Value Measurements*

GAAP has a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management’s best estimate of what market participants would use as fair value.

# VINEYARD COMMUNITY CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements (Continued)

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Cash***

Vineyard maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. Vineyard has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

#### ***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value are carried and all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Investment return includes dividend, interest and other investment income; and realized and unrealized gains and losses on investments carried at fair value.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

#### ***Inventory***

Inventory consists of donated food, clothing, household goods and furniture. Inventory is stated at the lower of cost or market determined by the first-in, first-out (FIFO) method.

#### ***Property and Equipment***

Property and equipment are recorded at cost or, if donated or impaired, at fair value at the time of the gift or determination. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. The cost of maintenance and repairs is expensed as incurred, while significant improvements are capitalized.

Under applicable GAAP for property and equipment, Vineyard assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, Vineyard believes no impairments existed at August 31, 2024 and 2023.

#### ***Agency Transactions***

During 2024 and 2023, Vineyard acted as an intermediary raising funds on behalf of another nonprofit organization and transferred \$753,320 and \$308,505, respectively, to the nonprofit organization. At August 31, 2024 and 2023, the Organization owed \$0- and \$700,000, respectively, to the nonprofit organization. The 2023 amount is included in accounts payable on the consolidated statement of financial position.

#### ***Leases***

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and lease liabilities on the consolidated statement of financial position. Finance leases are included in property and equipment and lease liabilities in the consolidated statements of financial position.

## VINEYARD COMMUNITY CHURCH AND AFFILIATES

### Notes to Consolidated Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Leases (Continued)*

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

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

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

The Organization has elected to apply the short-term lease practical exemption to all classes of underlying assets.

##### *Contributions*

Vineyard records gifts of cash and other assets at their fair value as of the date of contribution. Such donations are recorded as without donor restriction unless explicit donor stipulations specify how the donated assets must be used. 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. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue without donor restrictions.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, Vineyard reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue. Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met.

##### *Contributed Services*

Contributions of services are recognized as revenue at their estimated fair value only when services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. No amounts have been reflected in the consolidated financial statements for contributed services. Vineyard pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Vineyard.

## VINEYARD COMMUNITY CHURCH AND AFFILIATES

### Notes to Consolidated Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### ***Noncash Donations***

Vineyard receives certain donated food, clothing and household items which are recorded at fair market value as contribution revenue in the year received and as an expense in the consolidated financial statements in the year given away.

##### ***Income Taxes***

Vineyard, The Healing Center and Outward Focused Foundation are exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of Ohio state law. However, these organizations are subject to federal income tax on any unrelated business taxable income.

As a religious organization, Vineyard is not required to file annual federal or state information returns. Vineyard believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the consolidated financial statements.

The Healing Center's and Outward Focused Foundation's IRS Form 990 is subject to review and examination by Federal and state authorities. These organizations believe they have appropriate support for any tax positions taken, and therefore, do not have any uncertain income tax positions that are material to the consolidated financial statements.

##### ***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Certain costs have been allocated among the program, administrative and fundraising categories based on the specific identification and other methods. The most significant allocations are salaries and related expenses, which were allocated based upon time spent by Vineyard personnel, and occupancy and depreciation, which were allocated based on utilization.

##### ***Use of Estimates***

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### ***Reclassifications***

Certain 2023 figures have been reclassified to conform to the 2024 presentation.

##### ***Subsequent Event Evaluation***

In preparing its consolidated financial statements, Vineyard has evaluated events subsequent to the consolidated statement of financial position date through December 17, 2024, which is the date the consolidated financial statements were available to be issued.

## VINEYARD COMMUNITY CHURCH AND AFFILIATES

### Notes to Consolidated Financial Statements (Continued)

#### NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of August 31 comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash	\$ 1,196,576	\$ 3,164,149
Grants and contributions receivable	182,410	236,579
Investments	<u>4,642,096</u>	<u>3,981,959</u>
Total financial assets	6,021,082	7,382,687
Less those unavailable for general expenditures:		
Board designated net assets	(362,104)	(678,104)
Donor-restricted net assets	<u>(290,572)</u>	<u>(201,877)</u>
	<u>\$ 5,368,406</u>	<u>\$ 6,502,706</u>

As part of its liquidity management plan, Vineyard maintains operating cash in business checking accounts, and invests excess cash primarily in fixed income mutual funds, U.S. Treasury securities and money market funds. Vineyard acts conservatively with respect to cash reserves and attempts to maintain between 60 and 90 days of operating expenses in its cash reserves at all times. Vineyard plans and budgets to operate with positive cash flow in most years, but occasionally may plan to operate with a negative cash flow if cash reserves are exceeding the determined targets. Additionally, the Board of Elders designates a portion of its resources without donor restrictions for use on activities the Board agrees are strategic to the ministry of Vineyard and for outreach activities to foster a better connection with the larger church community in the Cincinnati area. Therefore, these are reduced from the financial assets available for general expenditures.

#### NOTE 3 GRANTS AND CONTRIBUTIONS RECEIVABLE

Vineyard receives various grants and other support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the consolidated financial statements of Vineyard are prepared on an accrual basis, all earned portions of the grants not yet received as of August 31, 2024 and 2023, have been recorded as receivables. All receivables are expected to be received within one year of the consolidated financial statement date. No reserve for uncollectable amounts has been recorded as of August 31, 2024 and 2023.

## VINEYARD COMMUNITY CHURCH AND AFFILIATES

### Notes to Consolidated Financial Statements (Continued)

#### NOTE 4 INVESTMENTS AT FAIR VALUE

Investments at fair value as of August 31 consisted of the following:

	2024	2023
<b>Level 1</b>		
Fixed income mutual funds	\$ 1,760,516	\$ 1,657,103
Equities	90,831	7,100
<b>Level 2</b>		
U.S. Treasury securities	-	1,488,085
Money market funds	2,790,749	829,671
	\$ 4,642,096	\$ 3,981,959

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include fixed income mutual funds. If quoted market prices are not available, then fair values are estimated using pricing models or quoted prices of securities with similar characteristics. Level 2 securities include U.S. Treasury securities and money market funds.

#### NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment as of August 31 consisted of the following:

	2024	2023
Buildings and improvements	\$ 28,490,872	\$ 27,932,529
Equipment and software	5,033,415	5,415,517
Furniture and fixtures	1,146,880	1,611,273
Land improvements	1,952,066	1,967,723
Land	1,441,350	1,441,350
Vehicles	120,384	139,509
Less accumulated depreciation	(22,939,448)	(22,467,630)
	\$ 15,245,519	\$ 16,040,271

#### NOTE 6 LEASES

The Organization has long-term leases for certain office equipment and land expiring at various dates through October 2030. The operating lease liabilities have a weighted-average remaining lease term of 38 months and were calculated using a weighted-average discount rate of 3.35%. Operating lease expense was \$42,424 and \$41,333, respectively, for the years ended August 31, 2024 and 2023 and cash flows was \$33,367 for both years ended August 31, 2024 and 2023.

**VINEYARD COMMUNITY CHURCH AND AFFILIATES**

**Notes to Consolidated Financial Statements  
(Continued)**

**NOTE 6 LEASES (CONTINUED)**

Future minimum lease payments as of August 31, 2024 are as follows:

2025	\$ 33,367
2026	27,175
2027	17,849
2028	17,849
2029	17,849
Thereafter	22,311
Less: discount applied	<u>(9,703)</u>
	<u><u>\$ 126,697</u></u>

**NOTE 7 NOTES PAYABLE**

Notes payable as of August 31 consisted of the following:

	2024	2023
Note payable (2024 loan), interest accrues at a rate of 7.22%, payable in monthly installments of \$45,208, through June 1, 2029, with the remaining principle balance due on June 28, 2029. The note is collateralized by the buildings and personal property.	\$ 4,964,324	\$ -
Note payable (2019 loan), interest accrued at a rate of 3.93%, was payable in monthly installments of \$37,734, through February 28, 2024, with the remaining principle balance due on March 1, 2024. The note was collateralized by the buildings and personal property. During 2024, the 2019 loan was refinanced to the 2024 loan.	-	5,167,400
Note payable (2019 project loan), interest accrued at a rate of 3.93%, was payable in monthly installments of \$13,650, through February 28, 2024, with the remaining principle balance due on March 1, 2024. The note was collateralized by the buildings and personal property.	<u>-</u>	<u>1,394,314</u>
Less debt issuance cost, net of amortization	<u>(41,436)</u>	<u>(72,184)</u>
	<u><u>\$ 4,922,888</u></u>	<u><u>\$ 6,489,530</u></u>

Debt issuance costs of \$46,207 and \$93,648 was recognized as of August 31, 2024 and 2023, respectively, as a reduction to the face amount of the notes payable, net of accumulated amortization of \$4,771 and \$21,465, respectively. Amortization expense of debt issuance costs of \$77,121 and \$4,711, respectively, was recognized during 2024 and 2023. \$72,350 of the amortization incurred in 2024 related to the refinance of the 2019 notes payable.



**VINEYARD COMMUNITY CHURCH AND AFFILIATES**

**Notes to Consolidated Financial Statements  
(Continued)**

**NOTE 7 NOTES PAYABLE (CONTINUED)**

Maturities of long-term debt at August 31, 2024 are as follows:

2025	185,135
2026	197,336
2027	215,198
2028	230,461
2029	4,136,194
	<u>4,964,324</u>
	<u>\$ 4,964,324</u>

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of August 31 are available for the following purposes or periods:

	2024	2023
The Healing Center	\$ 169,771	\$ 165,077
Missions and Outreach Fund	62,410	10,819
Next Generation Fund	38,061	-
Global Outreach Trip Fund	12,107	-
Student Scholarship	6,453	17,079
Other	1,770	885
World Missions	-	7,491
International Missionary Fund	-	526
	<u>\$ 290,572</u>	<u>\$ 201,877</u>

**NOTE 9 NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors for the years ended August 31 are as follows:

	2024	2023
The Healing Center	\$ 187,540	\$ 265,693
Missions and Outreach Fund	87,040	150,555
Global Outreach Trip Fund	61,214	36,890
International Missionary Fund	11,932	26,934
Student Scholarship	11,331	3,982
Next Generation Fund	9,639	-
World Missions	7,491	45,683
Other	3,905	218
Adoption program	-	53,000
	<u>\$ 380,092</u>	<u>\$ 582,955</u>

## VINEYARD COMMUNITY CHURCH AND AFFILIATES

### Notes to Consolidated Financial Statements (Continued)

#### NOTE 10 NONCASH DONATIONS

Noncash donations are recorded in the consolidated financial statements as revenue, gains and other support and as an expense. All noncash donations for 2024 and 2023 are without donor restrictions are used for the Healing Center's mission. Noncash donations for the period ended August 31, 2024 and 2023, included in the consolidated financial statements, were as follows:

	<u>2024</u>	<u>2023</u>
Food	\$ 2,082,832	\$ 1,887,606
Clothing	129,950	59,400
Emergency Food Pantry credits	64,233	47,315
Spring Clean Drive	<u>56,295</u>	<u>-</u>
	<u>\$ 2,333,310</u>	<u>\$ 1,994,321</u>

Food is valued at the estimated average fair value of one pound of donated product at a value of \$1.93 and \$1.79 per pound, respectively, for the fiscal years ending August 31, 2024 and 2023. The values were determined based on a national nonprofit emergency food and services provider's calculated estimate.

Clothing is valued at an estimated value of \$1,000 and \$500, respectively, per bin of clothing received for the fiscal years ending August 31, 2024 and 2023. This value was determined by taking the average amount of clothing per bin, which is approximately 1,000 and 500, respectively and valuing each article of clothing at \$1.00 for the fiscal years ending August 31, 2024 and 2023.

The Healing Center receives Emergency Food Pantry credits from a local nonprofit emergency food and service provider. The value of credits received each year is determined and provided by the local nonprofit emergency food and service provider.

During 2024, the Healing Center held an event to create a supply of personal care products and cleaning supplies to expand the volume of products available to guests. The average cost of personal care products and cleaning supplies was valued at \$9. This value was determined based on U.S. wholesale prices of the items donated.

#### NOTE 11 RETIREMENT PLAN

Vineyard has a 403(b) Church Retirement Plan available to all regular full-time and part-time employees. Voluntary contributions up to the IRS annual limit can be made to the Plan by the employee through a salary deferral arrangement. For full-time employees participating in the plan, Vineyard will match 100% on up to 4% of the employee's annual salary, and 50% on amounts exceeding 4% up to 6%. Vineyard made \$118,966 and \$129,310 in contributions to the plan for the years ended August 31, 2024 and 2023, respectively.

**ACCOMPANYING INFORMATION**

## VINEYARD COMMUNITY CHURCH AND AFFILIATES

### Consolidating Statement of Financial Position August 31, 2024

	Vineyard Community Church	Healing Center	Eliminations	Total
<b>Assets</b>				
Cash	\$ 991,659	\$ 204,917	\$ -	\$ 1,196,576
Grants and contributions receivable, net	145,422	81,229	(44,241)	182,410
Investments	4,642,096	-	-	4,642,096
Inventory	-	50,263	-	50,263
Prepaid expenses	32,120	-	-	32,120
Right of use assets - operating leases	115,698	-	-	115,698
Property and equipment, net	14,915,806	329,713	-	15,245,519
Total assets	\$ 20,842,801	\$ 666,122	\$ (44,241)	\$ 21,464,682
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable	\$ 173,849	\$ 51,883	\$ (44,241)	\$ 181,491
Accrued expenses	201,553	26,556	-	228,109
Lease liabilities - operating leases	126,697	-	-	126,697
Notes payable, net	4,922,888	-	-	4,922,888
Total liabilities	5,424,987	78,439	(44,241)	5,459,185
<b>Net Assets</b>				
Without donor restrictions				
Undesignated	4,612,278	417,912	-	5,030,190
Invested in property and equipment, net of related debt	10,322,631	-	-	10,322,631
Board designated	362,104	-	-	362,104
Total without donor restrictions	15,297,013	417,912	-	15,714,925
With donor restrictions	120,801	169,771	-	290,572
Total net assets	15,417,814	587,683	-	16,005,497
Total liabilities and net assets	\$ 20,842,801	\$ 666,122	\$ (44,241)	\$ 21,464,682

See independent auditors' report

## VINEYARD COMMUNITY CHURCH AND AFFILIATES

### Consolidating Statement of Activities Year Ended August 31, 2024

	Vineyard Community Church			Healing Center			Eliminations	Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, gains and other support</b>										
Contributions	\$ 8,324,675	\$ 276,553	\$ 8,601,228	\$ 549,618	\$ 64,234	\$ 613,852	\$ (486,604)	\$ 8,387,689	\$ 340,787	\$ 8,728,476
In-kind contributions - related party	-	-	-	443,814	-	443,814	(443,814)	-	-	-
Noncash contributions	-	-	-	2,333,310	-	2,333,310	-	2,333,310	-	2,333,310
Grants	-	-	-	6,228	128,000	134,228	-	6,228	128,000	134,228
Seminars, retreats, fees and other	554,134	-	554,134	15,092	-	15,092	(443,814)	125,412	-	125,412
The Café	16,848	-	16,848	-	-	-	-	16,848	-	16,848
Investment return	280,607	-	280,607	-	-	-	-	280,607	-	280,607
Net assets released from restrictions	192,552	(192,552)	-	187,540	(187,540)	-	-	380,092	(380,092)	-
<b>Total revenue, gains and other support</b>	<b>9,368,816</b>	<b>84,001</b>	<b>9,452,817</b>	<b>3,535,602</b>	<b>4,694</b>	<b>3,540,296</b>	<b>(1,374,232)</b>	<b>11,530,186</b>	<b>88,695</b>	<b>11,618,881</b>
<b>Expenses</b>										
Program	7,458,146	-	7,458,146	3,415,632	-	3,415,632	(1,184,255)	9,689,523	-	9,689,523
Administrative	1,468,190	-	1,468,190	194,959	-	194,959	(189,977)	1,473,172	-	1,473,172
Fundraising	159,995	-	159,995	39,684	-	39,684	-	199,679	-	199,679
<b>Total expenses</b>	<b>9,086,331</b>	<b>-</b>	<b>9,086,331</b>	<b>3,650,275</b>	<b>-</b>	<b>3,650,275</b>	<b>(1,374,232)</b>	<b>11,362,374</b>	<b>-</b>	<b>11,362,374</b>
<b>Change in net assets</b>	<b>282,485</b>	<b>84,001</b>	<b>366,486</b>	<b>(114,673)</b>	<b>4,694</b>	<b>(109,979)</b>	<b>-</b>	<b>167,812</b>	<b>88,695</b>	<b>256,507</b>
<b>Net assets, beginning of year</b>	<b>15,014,528</b>	<b>36,800</b>	<b>15,051,328</b>	<b>532,585</b>	<b>165,077</b>	<b>697,662</b>	<b>-</b>	<b>15,547,113</b>	<b>201,877</b>	<b>15,748,990</b>
<b>Net assets, end of year</b>	<b>\$ 15,297,013</b>	<b>\$ 120,801</b>	<b>\$ 15,417,814</b>	<b>\$ 417,912</b>	<b>\$ 169,771</b>	<b>\$ 587,683</b>	<b>\$ -</b>	<b>\$ 15,714,925</b>	<b>\$ 290,572</b>	<b>\$ 16,005,497</b>

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