

Vineyard Community Church and Affiliates (dba Vineyard Cincinnati)

**Consolidated Financial Statements with
Accompanying Information
August 31, 2025 and 2024 and
Independent Auditors' Report**

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

August 31, 2025 and 2024

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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) (dba Vineyard Cincinnati) which comprise the consolidated statements of financial position as of August 31, 2025 and 2024, 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 (dba Vineyard Cincinnati) as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vineyard Community Church and Affiliates (dba Vineyard Cincinnati) 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' (dba Vineyard Cincinnati) 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Auditors' 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' (dba Vineyard Cincinnati) 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' (dba Vineyard Cincinnati) 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 18 - 19 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.



December 22, 2025
Cincinnati, Ohio

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

**Consolidated Statements of Financial Position
August 31, 2025 and 2024**

	2025	2024
Assets		
Cash	\$ 1,024,886	\$ 1,196,576
Grants and contributions receivable	124,260	182,410
Investments	5,128,301	4,642,096
Inventory	114,313	50,263
Prepaid expenses	52,402	32,120
Right of use assets - operating leases	85,944	115,698
Property and equipment, net	<u>14,425,776</u>	<u>15,245,519</u>
 Total assets	 <u>\$ 20,955,882</u>	 <u>\$ 21,464,682</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 274,454	\$ 181,491
Accrued expenses	248,060	228,109
Lease liabilities - operating leases	97,045	126,697
Note payable, net	<u>4,747,110</u>	<u>4,922,888</u>
 Total liabilities	 <u>5,366,669</u>	 <u>5,459,185</u>
Net Assets		
Without donor restrictions:		
Undesignated	5,364,229	5,030,190
Invested in property and equipment, net of related debt	9,678,666	10,322,631
Board designated	<u>322,104</u>	<u>362,104</u>
 Total without donor restrictions	 15,364,999	 15,714,925
With donor restrictions	<u>224,214</u>	<u>290,572</u>
 Total net assets	 <u>15,589,213</u>	 <u>16,005,497</u>
 Total liabilities and net assets	 <u>\$ 20,955,882</u>	 <u>\$ 21,464,682</u>

See accompanying notes to consolidated financial statements

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

**Consolidated Statement of Activities
Year Ended August 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support			
Contributions	\$ 8,193,874	\$ 172,950	\$ 8,366,824
Noncash contributions	2,534,459	-	2,534,459
Grants	26,263	-	26,263
Seminars, retreats, fees and other	159,230	-	159,230
The Café	8,939	-	8,939
Investment return, net	228,816	-	228,816
Net assets released from restrictions	239,308	(239,308)	-
 Total revenue, gains and other support	 11,390,889	 (66,358)	 11,324,531
 Expenses			
Programs	10,122,716	-	10,122,716
Administrative	1,380,609	-	1,380,609
Fundraising	237,490	-	237,490
 Total expenses	 11,740,815	 -	 11,740,815
 Change in net assets			
	(349,926)	(66,358)	(416,284)
 Net assets, beginning of year	 15,714,925	 290,572	 16,005,497
 Net assets, end of year	 \$ 15,364,999	 \$ 224,214	 \$ 15,589,213

See accompanying notes to consolidated financial statements

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

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

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support			
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, net	280,607	-	280,607
Net assets released from restrictions	<u>380,092</u>	<u>(380,092)</u>	<u>-</u>
Total revenue, gains and other support	<u>11,530,186</u>	<u>88,695</u>	<u>11,618,881</u>
Expenses			
Programs	9,689,523	-	9,689,523
Administrative	1,473,172	-	1,473,172
Fundraising	<u>199,679</u>	<u>-</u>	<u>199,679</u>
Total expenses	<u>11,362,374</u>	<u>-</u>	<u>11,362,374</u>
Change in net assets	<u>167,812</u>	<u>88,695</u>	<u>256,507</u>
Net assets, beginning of year	<u>15,547,113</u>	<u>201,877</u>	<u>15,748,990</u>
Net assets, end of year	<u><u>\$ 15,714,925</u></u>	<u><u>\$ 290,572</u></u>	<u><u>\$ 16,005,497</u></u>

See accompanying notes to consolidated financial statements

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

**Consolidated Statements of Functional Expenses
Years Ended August 31, 2025 and 2024**

	2025				2024			
	Program	Administrative	Fundraising	Total	Program	Administrative	Fundraising	Total
Salaries and related	\$ 3,557,631	\$ 921,198	\$ 124,143	\$ 4,602,972	\$ 3,270,688	\$ 923,679	\$ 119,945	\$ 4,314,312
Noncash donations	2,495,388	-	-	2,495,388	2,365,806	-	-	2,365,806
Depreciation and amortization	1,353,702	45,580	-	1,399,282	1,416,523	47,406	-	1,463,929
Facilities maintenance	426,054	13,160	-	439,214	379,852	11,668	-	391,520
Professional fees	103,490	239,093	755	343,338	77,587	283,688	-	361,275
Rent and utilities	274,562	8,492	-	283,054	327,309	21,670	-	348,979
Missions and outreach	329,234	-	-	329,234	285,238	-	-	285,238
Interest	346,637	10,721	-	357,358	227,498	7,036	-	234,534
Events	285,940	-	719	286,659	200,891	15	925	201,831
Regional support	220,379	-	-	220,379	236,743	-	-	236,743
Grants to other organizations	183,292	-	-	183,292	318,982	-	-	318,982
Fundraising	-	-	101,063	101,063	-	-	64,715	64,715
Property, liability and auto insurance	73,320	21,092	-	94,412	72,156	20,360	-	92,516
Equipment	14,335	59,440	-	73,775	12,178	88,775	-	100,953
Production	73,554	-	-	73,554	92,103	-	-	92,103
Staff development	29,465	38,188	63	67,716	24,309	41,338	57	65,704
Volunteer recruiting and management	58,157	884	-	59,041	53,223	514	750	54,487
Advertising	37,704	19,363	-	57,067	36,738	18,571	-	55,309
Hospitality	54,480	-	21	54,501	52,138	-	56	52,194
Relationship development	47,760	831	1,523	50,114	71,671	1,029	1,450	74,150
Ministry supplies	43,494	1	-	43,495	41,201	1	-	41,202
Teaching resources	41,339	-	1,017	42,356	35,699	-	4,034	39,733
Church development	23,845	-	-	23,845	-	-	-	-
Office supplies	28,984	(4,323)	1,378	26,039	19,362	1,035	1,142	21,539
Printing	18,007	576	6,808	25,391	20,279	701	6,605	27,585
Property taxes	1,963	6,313	-	8,276	1,614	5,686	-	7,300
Church Plant grant	-	-	-	-	40,000	-	-	40,000
Café	-	-	-	-	9,735	-	-	9,735
	\$ 10,122,716	\$ 1,380,609	\$ 237,490	\$ 11,740,815	\$ 9,689,523	\$ 1,473,172	\$ 199,679	\$ 11,362,374

See accompanying notes to consolidated financial statements

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

**Consolidated Statements of Cash Flows
Years Ended August 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ (416,284)	\$ 256,507
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	1,399,282	1,463,929
Loss on disposal of property and equipment	1,881	-
Net realized and unrealized gains on investments	(23,026)	(20,369)
Funds raised on behalf of others	-	53,320
Distributions of funds raised on behalf of others	-	(753,320)
Debt refinance costs	-	(46,207)
Noncash lease expense	102	101
Changes in:		
Grants and contributions receivable, net	58,150	54,169
Inventory	(64,050)	18,323
Prepaid expenses	(20,282)	36,414
Accounts payable	92,963	(158,555)
Accrued expenses	<u>19,951</u>	<u>(42,505)</u>
Net cash provided by operating activities	<u>1,048,687</u>	<u>861,807</u>
Cash flows from investing activities		
Purchase of property and equipment	(572,063)	(590,904)
Purchase of investments	<u>(463,179)</u>	<u>(639,768)</u>
Net cash used in investing activities	<u>(1,035,242)</u>	<u>(1,230,672)</u>
Cash flows from financing activities		
Principal payments on notes payable	<u>(185,135)</u>	<u>(1,598,708)</u>
Net change in cash	<u>(171,690)</u>	<u>(1,967,573)</u>
Cash, beginning of year	<u>1,196,576</u>	<u>3,164,149</u>
Cash, end of year	<u>\$ 1,024,886</u>	<u>\$ 1,196,576</u>
Supplemental cash flows information:		
Cash paid for interest	<u>\$ 357,358</u>	<u>\$ 234,534</u>

See accompanying notes to consolidated financial statements

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

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 (dba Vineyard Cincinnati). 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, 2025 and 2024.

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, 2025 and 2024.

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
(DBA VINEYARD CINCINNATI)**

**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, 2025 and 2024.

Agency Transactions

During 2024, Vineyard acted as an intermediary raising funds on behalf of another nonprofit organization and transferred \$753,320 to the nonprofit organization. The campaign ended in 2024 and no amounts were raised on behalf of the nonprofit organization in 2025.

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
(DBA VINEYARD CINCINNATI)**

**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.

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain 2024 figures have been reclassified to conform to the 2025 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 22, 2025, which is the date the consolidated financial statements were available to be issued.

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>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$ 1,024,886	\$ 1,196,576
Grants and contributions receivable	124,260	182,410
Investments	<u>5,128,301</u>	<u>4,642,096</u>
Total financial assets	6,277,447	6,021,082
Less those unavailable for general expenditures:		
Board designated net assets	(322,104)	(362,104)
Donor-restricted net assets	<u>(224,214)</u>	<u>(290,572)</u>
	<u>\$ 5,731,129</u>	<u>\$ 5,368,406</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, 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.

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

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

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, 2025 and 2024, 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, 2025 and 2024.

NOTE 4 INVESTMENTS AT FAIR VALUE

	<u>2025</u>	<u>2024</u>
Level 1		
Fixed income mutual funds	\$ 1,850,981	\$ 1,760,516
Equities	2,198	90,831
Level 2		
Money market funds	<u>3,275,122</u>	<u>2,790,749</u>
	<u>\$ 5,128,301</u>	<u>\$ 4,642,096</u>

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 money market funds.

NOTE 5 PROPERTY AND EQUIPMENT

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

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 28,477,786	\$ 28,490,872
Equipment and software	3,511,624	5,033,415
Furniture and fixtures	1,115,682	1,146,880
Land improvements	2,038,250	1,952,066
Land	1,441,350	1,441,350
Vehicles	104,431	120,384
Construction in progress	25,825	-
Less accumulated depreciation	<u>(22,289,172)</u>	<u>(22,939,448)</u>
	<u>\$ 14,425,776</u>	<u>\$ 15,245,519</u>

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

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

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 26 months and were calculated using a weighted-average discount rate of 3.35%. Operating lease expense was \$39,430 and \$42,424, respectively, for the years ended August 31, 2025 and 2024 and cash flows was \$33,367 for both years ended August 31, 2025 and 2024.

Future minimum lease payments as of August 31, 2025 are as follows:

2026	\$ 27,175
2027	17,849
2028	17,849
2029	17,849
2030	17,849
Thereafter	4,462
Less: discount applied	<u>(5,988)</u>
	<u>\$ 97,045</u>

NOTE 7 NOTE PAYABLE

Note payable as of August 31 consisted of the following:

	2025	2024
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.		
Less debt issuance cost, net of amortization	<u>\$ 4,779,189</u>	<u>\$ 4,964,324</u>
	<u>(32,079)</u>	<u>(41,436)</u>
	<u><u>\$ 4,747,110</u></u>	<u><u>\$ 4,922,888</u></u>

Debt issuance costs of \$46,207 were recognized as of both August 31, 2025 and 2024 as a reduction to the face amount of the notes payable, net of accumulated amortization of \$14,128 and \$4,771, respectively. Amortization expense of debt issuance costs of \$9,357 and \$77,121, respectively, was recognized during 2025 and 2024. During 2024, the Church refinanced its notes payable and accelerated the amortization of the associated debt issuance costs on the date of that the loans were refinanced, resulting in an additional \$72,350 of amortization expense for the year ended August 31, 2024.

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

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

NOTE 7 NOTE PAYABLE (CONTINUED)

Maturities of long-term debt at August 31, 2025 are as follows:

2026	\$ 197,336
2027	215,198
2028	230,461
2029	<u>4,136,194</u>
	<u>\$ 4,779,189</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:

	<u>2025</u>	<u>2024</u>
Missions and Outreach Fund	\$ 141,350	\$ 62,410
The Healing Center	49,026	169,771
Next Generation Fund and Scholarship	32,153	38,061
Other	1,685	1,770
Global Outreach Trip Fund	-	12,107
Student Scholarship	<u>-</u>	<u>6,453</u>
	<u>\$ 224,214</u>	<u>\$ 290,572</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:

	<u>2025</u>	<u>2024</u>
The Healing Center	\$ 146,875	\$ 187,540
Missions and Outreach Fund	44,171	87,040
Next Generation Fund	29,417	9,639
Global Outreach Trip Fund	12,107	61,214
Student Scholarship	6,453	11,331
Other	285	3,905
International Missionary Fund	-	11,932
World Missions	<u>-</u>	<u>7,491</u>
	<u>\$ 239,308</u>	<u>\$ 380,092</u>

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

**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 2025 and 2024 are without donor restrictions are used for the Healing Center's mission. Noncash donations for the period ended August 31, 2025 and 2024, included in the consolidated financial statements, were as follows:

	<u>2025</u>	<u>2024</u>
Food	\$ 2,280,584	\$ 2,082,832
Clothing and household goods	226,750	129,950
Thanksgiving Together	17,430	-
Spring Clean Drive	9,495	56,295
Emergency Food Pantry credits	<u>200</u>	<u>64,233</u>
	<u><u>\$ 2,534,459</u></u>	<u><u>\$ 2,333,310</u></u>

Food is valued at the estimated average fair value of one pound of donated product at a value of \$1.93 per pound for both the fiscal years ending August 31, 2025 and 2024. The values were determined based on a national nonprofit emergency food and services provider's calculated estimate.

Clothing and household goods is valued at an estimated average value of \$1,375 and \$1,000, respectively, per bin of clothing and household goods received for the fiscal years ending August 31, 2025 and 2024. This value was determined by taking the average amount of clothing and household goods per bin, which is approximately 1,000, respectively and valuing each article of clothing and household good at \$1.38 and \$1.00, respectively, for the fiscal years ending August 31, 2025 and 2024.

During 2025, the Healing center held a Thanksgiving Together event to receive holiday food donations for community members and guests. The average cost of donated food was valued at \$1.93 per pound. The value was calculated based on a national nonprofit emergency food and services provider's calculation estimate.

The Healing Center holds a Spring Clean Drive event to create a supply of personal care products and cleaning supplies to expand the volume of products available to guests. For 2025 and 2024, the average cost of personal care products and cleaning supplies was valued at approximately \$4.70 and \$9.00, respectively. This value was determined based on U.S. wholesale prices of the items donated.

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.

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
(DBA VINEYARD CINCINNATI)**

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

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 \$123,368 and \$118,966 in contributions to the plan for the years ended August 31, 2025 and 2024, respectively.

ACCOMPANYING INFORMATION

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
DBA VINEYARD CINCINNATI**

**Consolidating Statement of Financial Position
August 31, 2025**

	Vineyard Community Church	Healing Center	Eliminations	Total
Assets				
Cash	\$ 743,241	\$ 281,645	\$ -	\$ 1,024,886
Grants and contributions receivable, net	159,261	-	(35,001)	124,260
Investments	5,128,301	-	-	5,128,301
Inventory	-	114,313	-	114,313
Prepaid expenses	52,402	-	-	52,402
Right of use assets - operating leases	85,944	-	-	85,944
Property and equipment, net	<u>14,123,023</u>	<u>302,753</u>	<u>-</u>	<u>14,425,776</u>
 Total assets	 <u>\$ 20,292,172</u>	 <u>\$ 698,711</u>	 <u>\$ (35,001)</u>	 <u>\$ 20,955,882</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 240,755	\$ 68,700	\$ (35,001)	\$ 274,454
Accrued expenses	215,524	32,536	-	248,060
Lease liabilities - operating leases	97,045	-	-	97,045
Notes payable, net	<u>4,747,110</u>	<u>-</u>	<u>-</u>	<u>4,747,110</u>
 Total liabilities	 <u>5,300,434</u>	<u>101,236</u>	<u>(35,001)</u>	<u>5,366,669</u>
Net Assets				
Without donor restrictions				
Undesignated	4,815,780	548,449	-	5,364,229
Invested in property and equipment, net of related debt	9,678,666	-	-	9,678,666
Board designated	<u>322,104</u>	<u>-</u>	<u>-</u>	<u>322,104</u>
 Total without donor restrictions	 14,816,550	 548,449	 -	 15,364,999
With donor restrictions	<u>175,188</u>	<u>49,026</u>	<u>-</u>	<u>224,214</u>
 Total net assets	 <u>14,991,738</u>	 <u>597,475</u>	 <u>-</u>	 <u>15,589,213</u>
 Total liabilities and net assets	 <u>\$ 20,292,172</u>	 <u>\$ 698,711</u>	 <u>\$ (35,001)</u>	 <u>\$ 20,955,882</u>

See independent auditors' report

**VINEYARD COMMUNITY CHURCH AND AFFILIATES
DBA VINEYARD CINCINNATI**

**Consolidating Statement of Activities
Year Ended August 31, 2025**

	Vineyard Community Church						Healing Center			Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total		
Revenue, gains and other support												
Contributions	\$ 8,007,970	\$ 146,820	\$ 8,154,790	\$ 945,129	\$ 26,130	\$ 971,259	\$ (759,225)	\$ 8,193,874	\$ 172,950	\$ 8,366,824		
In-kind contributions - related party	-	-	-	437,344	-	437,344	(437,344)	-	-	-		
Noncash contributions	-	-	-	2,534,459	-	2,534,459	-	2,534,459	-	2,534,459		
Grants	-	-	-	26,263	-	26,263	-	26,263	-	26,263		
Seminars, retreats, fees and other	579,978	-	579,978	16,596	-	16,596	(437,344)	159,230	-	159,230		
The Café	8,939	-	8,939	-	-	-	-	8,939	-	8,939		
Investment return, net	228,816	-	228,816	-	-	-	-	228,816	-	228,816		
Net assets released from restrictions	92,433	(92,433)	-	146,875	(146,875)	-	-	239,308	(239,308)	-		
Total revenue, gains and other support	8,918,136	54,387	8,972,523	4,106,666	(120,745)	3,985,921	(1,633,913)	11,390,889	(66,358)	11,324,531		
Expenses												
Program	7,860,565	-	7,860,565	3,708,886	-	3,708,886	(1,446,735)	10,122,716	-	10,122,716		
Administrative	1,375,464	-	1,375,464	192,323	-	192,323	(187,178)	1,380,609	-	1,380,609		
Fundraising	162,570	-	162,570	74,920	-	74,920	-	237,490	-	237,490		
Total expenses	9,398,599	-	9,398,599	3,976,129	-	3,976,129	(1,633,913)	11,740,815	-	11,740,815		
Change in net assets	(480,463)	54,387	(426,076)	130,537	(120,745)	9,792	-	(349,926)	(66,358)	(416,284)		
Net assets, beginning of year	15,297,013	120,801	15,417,814	417,912	169,771	587,683	-	15,714,925	290,572	16,005,497		
Net assets, end of year	\$ 14,816,550	\$ 175,188	\$ 14,991,738	\$ 548,449	\$ 49,026	\$ 597,475	\$ -	\$ 15,364,999	\$ 224,214	\$ 15,589,213		

See independent auditors' report