



**COLLEGE PARK CHURCH**

COLLEGE PARK CHURCH

Consolidated Financial Statements  
With Independent Auditors' Report

March 31, 2022 and 2021

# COLLEGE PARK CHURCH

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## INDEPENDENT AUDITORS' REPORT

Board of Elders  
College Park Church  
Indianapolis, Indiana

### ***Opinion***

We have audited the accompanying consolidated financial statements of College Park Church, which comprise the consolidated statements of financial position as of March 31, 2022 and 2021, and 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 referred to above present fairly, in all material respects, the consolidated financial position of College Park Church as of March 31, 2022 and 2021, and the changes in its consolidated 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 Consolidated Financial Statements section of our report. We are required to be independent of College Park Church 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 opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 College Park Church's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Elders  
College Park Church  
Indianapolis, Indiana

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

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 College Park Church's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about College Park Church'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.

*Capin Crouse LLP*

Indianapolis, Indiana  
October 26, 2022

# COLLEGE PARK CHURCH

## Consolidated Statements of Financial Position

	March 31,	
	2022	2021
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 6,732,012	\$ 6,868,323
Prepaid expenses	25,810	54,132
Cash held for restricted and designated purposes	1,956,739	1,226,178
Property and equipment–net	19,764,329	21,401,149
<b>Total Assets</b>	<b>\$ 28,478,890</b>	<b>\$ 29,549,782</b>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable	\$ 209,433	\$ 134,377
Accrued expenses	279,925	257,861
Deferred revenue	15,528	-
Debt	17,036	1,086,773
<b>Total liabilities</b>	521,922	1,479,011
Net assets:		
Without donor restrictions	25,125,098	25,108,420
With donor restrictions by purpose	2,831,870	2,962,351
<b>Total net assets</b>	27,956,968	28,070,771
<b>Total Liabilities and Net Assets</b>	<b>\$ 28,478,890</b>	<b>\$ 29,549,782</b>

See notes to consolidated financial statements

# COLLEGE PARK CHURCH

## Consolidated Statements of Activities

	Year Ended March 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Support:						
Contributions	\$ 11,035,870	\$ 1,424,019	\$ 12,459,889	\$ 11,585,894	\$ 1,035,505	\$ 12,621,399
Christmas offerings	-	1,367,917	1,367,917	-	1,248,418	1,248,418
	<u>11,035,870</u>	<u>2,791,936</u>	<u>13,827,806</u>	<u>11,585,894</u>	<u>2,283,923</u>	<u>13,869,817</u>
Revenue and losses	<u>(37,449)</u>	<u>11,000</u>	<u>(26,449)</u>	<u>100,196</u>	<u>19,950</u>	<u>120,146</u>
Total Support and Revenue	<u>10,998,421</u>	<u>2,802,936</u>	<u>13,801,357</u>	<u>11,686,090</u>	<u>2,303,873</u>	<u>13,989,963</u>
<b>RECLASSIFICATIONS:</b>						
Net assets released by satisfaction of purpose restrictions	<u>2,933,417</u>	<u>(2,933,417)</u>	<u>-</u>	<u>1,994,268</u>	<u>(1,994,268)</u>	<u>-</u>
<b>EXPENSES:</b>						
Program services:						
Church ministries	8,764,763	-	8,764,763	9,075,547	-	9,075,547
Local outreach	1,158,664	-	1,158,664	892,854	-	892,854
Global outreach	2,248,435	-	2,248,435	2,100,746	-	2,100,746
Supporting activities:						
Management and general	1,743,298	-	1,743,298	1,741,281	-	1,741,281
Fundraising	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>13,915,160</u>	<u>-</u>	<u>13,915,160</u>	<u>13,810,428</u>	<u>-</u>	<u>13,810,428</u>
Change in Net Assets	16,678	(130,481)	(113,803)	(130,070)	309,605	179,535
Net Assets, Beginning of Year	<u>25,108,420</u>	<u>2,962,351</u>	<u>28,070,771</u>	<u>25,238,490</u>	<u>2,652,746</u>	<u>27,891,236</u>
Net Assets, End of Year	<u>\$ 25,125,098</u>	<u>\$ 2,831,870</u>	<u>\$ 27,956,968</u>	<u>\$ 25,108,420</u>	<u>\$ 2,962,351</u>	<u>\$ 28,070,771</u>

See notes to consolidated financial statements

# COLLEGE PARK CHURCH

## Consolidated Statement of Functional Expenses

Year Ended March 31, 2022

	Program Services			Supporting Activities			Total	
	Church Ministries	Local Outreach	Global Outreach	Total Program Services	Management and General	Fundraising Expenses		Total Supporting Activities
Salaries and benefits	\$ 4,615,742	\$ -	\$ -	\$ 4,615,742	\$ 1,153,934	\$ -	\$ 1,153,934	\$ 5,769,676
Contributions to global and local outreach partners	-	1,118,265	2,187,601	3,305,866	-	-	-	3,305,866
Facility and facility maintenance	1,009,250	-	-	1,009,250	105,630	-	105,630	1,114,880
Depreciation	1,032,927	-	-	1,032,927	54,365	-	54,365	1,087,292
Grant expense (transfer of net assets to Greenwood congregation)	690,278	-	-	690,278	-	-	-	690,278
Information technology costs	367,087	-	-	367,087	19,320	-	19,320	386,407
Professional fees	-	-	-	-	120,854	-	120,854	120,854
Interest	5,615	-	-	5,615	295	-	295	5,910
Other	1,043,864	40,399	60,834	1,145,097	288,900	-	288,900	1,433,997
<b>Total Expenses</b>	<b>\$ 8,764,763</b>	<b>\$ 1,158,664</b>	<b>\$ 2,248,435</b>	<b>\$ 12,171,862</b>	<b>\$ 1,743,298</b>	<b>\$ -</b>	<b>\$ 1,743,298</b>	<b>\$ 13,915,160</b>

See notes to consolidated financial statements

# COLLEGE PARK CHURCH

## Consolidated Statement of Functional Expenses

Year Ended March 31, 2021

	Program Services			Supporting Activities			Total	
	Church Ministries	Local Outreach	Global Outreach	Total Program Services	Management and General	Fundraising Expenses		Total Supporting Activities
Salaries and benefits	\$ 4,786,603	\$ -	\$ -	\$ 4,786,603	\$ 1,196,654	\$ -	\$ 1,196,654	\$ 5,983,257
Grant expense (transfer of net assets to Castleton congregation)	1,743,790	-	-	1,743,790	-	-	-	1,743,790
Contributions to global and local outreach partners	-	892,854	2,100,746	2,993,600	-	-	-	2,993,600
Depreciation	1,038,302	-	-	1,038,302	54,648	-	54,648	1,092,950
Facility and facility maintenance	573,189	-	-	573,189	129,309	-	129,309	702,498
Information technology costs	290,653	-	-	290,653	15,297	-	15,297	305,950
Interest	61,151	-	-	61,151	3,219	-	3,219	64,370
Professional fees	-	-	-	-	44,147	-	44,147	44,147
Other	581,859	-	-	581,859	298,007	-	298,007	879,866
<b>Total Expenses</b>	<b>\$ 9,075,547</b>	<b>\$ 892,854</b>	<b>\$ 2,100,746</b>	<b>\$ 12,069,147</b>	<b>\$ 1,741,281</b>	<b>\$ -</b>	<b>\$ 1,741,281</b>	<b>\$ 13,810,428</b>

See notes to consolidated financial statements

# COLLEGE PARK CHURCH

## Consolidated Statements of Cash Flows

	Year Ended March 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (113,803)	\$ 179,535
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,087,292	1,092,950
Noncash transfer of property and equipment, net of transfer of mortgage debt	538,894	1,453,417
Donated property and equipment	(34,770)	-
Building fund cash contributions	(135,960)	(213,942)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	28,322	(42,183)
Accounts payable	75,056	35,549
Accrued expenses	22,064	7,941
Deferred revenue	15,528	-
Net Cash Provided by Operating Activities	1,482,623	2,513,267
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(991,961)	(180,549)
Net Cash Used by Investing Activities	(991,961)	(180,549)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program Loan	-	1,157,100
Repayment of Paycheck Protection Program Loan	-	(1,157,100)
Principal payments on debt	(32,372)	(65,571)
Building fund cash contributions	135,960	213,942
Net Cash Provided by Financing Activities	103,588	148,371
Change in Cash, Cash Equivalents, and Designated and Restricted Cash	594,250	2,481,089
Cash, Cash Equivalents, and Designated and Restricted Cash, Beginning of Year	8,094,501	5,613,412
Cash, Cash Equivalents, and Designated and Restricted Cash, End of Year	\$ 8,688,751	\$ 8,094,501
Cash is held for the following purposes:		
Cash held for operating purposes	\$ 6,732,012	\$ 6,868,323
Cash held for designated and restricted purposes	1,956,739	1,226,178
	\$ 8,688,751	\$ 8,094,501
<b>SUPPLEMENTAL INFORMATION:</b>		
Mortgage debt transferred to Crosspointe Community Church, Inc.	\$ 1,037,365	\$ -
Cash paid for interest	\$ 5,910	\$ 64,370

See notes to consolidated financial statements

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

1. NATURE OF ORGANIZATION:

College Park Church (Church) is incorporated in the state of Indiana and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (code). The Church is classified as a publicly supported organization rather than a private foundation under Section 509(a)(1) of the code. Contributions to the Church are deductible for income tax purposes.

The Church is a nondenominational, Christian fellowship that exists to “ignite a passion to follow Jesus.” The Church operates three congregations: North Indianapolis, Greenwood (through March 31, 2021), and One Fellowship. The programs and opportunities available through the Church are varied. They are aimed at every age and need whether spiritual, relational, emotional, or physical. It is the Church’s intent to meet each individual at the point of their most urgent need and gently lead them to enjoy the exciting life God has made available to them by exalting Christ, experiencing community, and embracing a calling.

Effective April 1, 2021, the Greenwood congregation officially separated from the Church as an unaffiliated, self-governing entity to form Crosspointe Community Church, Inc., an Indiana nonprofit organization. The Church's Board approved a transfer of the related assets and liabilities, including the assignment of mortgage indebtedness approximating \$1,037,000 to the new entity at the time of separation with a net asset value approximating \$690,000. The transfer was recognized as a grant expense to the Greenwood congregation during the year ended March 31, 2022.

One Fellowship operated as a congregation of the Church through March 31, 2022. See Note 12 for the planned separation and related transfer of One Fellowship congregation's net assets effective April 1, 2022.

All functions, programs, and activities of the Church serve to enhance, reinforce, further, or otherwise contribute to the Church’s purpose. Therefore, all functions, programs, activities, and teachings are to be consistent with Biblical truth and guidelines whenever and wherever applicable. In the event Biblical guidelines do not address a specific matter, the Church must adhere to the highest possible spiritual and moral standards. The Church is a multi-ministry outreach with ministry emphasis in the areas of outreach and missions; worship and arts; children and youth programs and activities; small group programs, special events, and other activities; and other pastoral services.

Gladstone Property, LLC (Gladstone), is a limited liability company organized under Indiana law on September 22, 2014. Gladstone is a wholly owned subsidiary of the Church. The purpose of Gladstone is to own property that is granted by the Church. The property is currently being rented to another nonprofit organization at no charge. See Note 13, for agreement to sale property entered into subsequent to year ended March 31, 2022.

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis of accounting. The preparation of the 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. The significant accounting policies followed are described below to enhance the usefulness of the statements to the reader.

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial activities of College Park Church and its wholly owned subsidiary, Gladstone Property, LLC. All material intercompany accounts and transactions have been eliminated in consolidation.

### CASH AND CREDIT RISK

For purposes of the consolidated financial statements, cash includes cash on hand, checking accounts, and money market accounts. While the Church's cash balances may at times exceed federally insured limits, it has not experienced any losses in such accounts. The Church believes it is not exposed to any significant credit risk on these accounts. As of March 31, 2022 and 2021, the Church had cash on deposit with financial institutions that exceed the federally insured (FDIC) balance by approximately \$8,793,000 and \$7,758,000, respectively.

Cash held for designated and restricted purposes consists of funds held for certain long-term projects as well as board and management designated reserves.

### DONATED INVESTMENTS

Donated investments are initially reported at quoted value on the date of the gift and thereafter reported at fair value using quoted prices in active markets for identical assets. The Church's policy is to liquidate any donated investments shortly after original gift date.

### PROPERTY, EQUIPMENT, AND DEPRECIATION

Items capitalized as property and equipment are reported at cost or, if donated, at fair market value on the date of donation. The capitalization policy is \$5,000. Building and equipment are depreciated on the straight-line method over their estimated useful lives ranging from 5 to 40 years.

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

*Net assets without donor restrictions* are those currently available for use in the Church under the direction of the Board of Elders and those resources invested in property and equipment—net of accumulated depreciation, related debt, and other related liabilities. See Note 6. Board and management designated net assets are set aside through transfers from the general fund for use of each individual congregation and specific programs and can be released by board or management approval.

*Net assets with donor restrictions* are those stipulated by donors for specific operating purposes by congregation or those not currently available for use until commitments regarding their use have been fulfilled. See Note 7.

#### SUPPORT, REVENUE, CONTRIBUTED SERVICES, AND RECLASSIFICATIONS

Contributions are reported when made, which is generally when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the Church. Bequests are reported as support at the time the Church has an established right to the bequest and proceeds are measurable. The Church's ministry could not be fully achieved without the dedicated efforts of many volunteers. These contributed services are not reported as they do not meet the "specialized skills" requirement under current accounting standards.

Revenues are reported as income when earned. As described in Note 8, revenue consists primarily of registration fees and sales, which are recognized as earned when events take place or at point of sale.

Reclassifications represent funds released to net assets without donor restrictions from net assets with donor restrictions when expenses have been incurred in satisfaction of those donor restrictions.

#### CONCENTRATION OF SUPPORT RISK

Support for the Church comes primarily from donor contributions from members, concentrated in the Indianapolis, Indiana, geographic area.

#### EXPENSES AND LOSSES

Expenses and losses are reported when incurred. There were no advertising costs or joint costs for the years ended March 31, 2022 and 2021. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and facility and facility maintenance, and other which are allocated on a square footage basis, as well as salaries and benefits and information technology costs, which are allocated on the basis of estimates of time and effort. The costs of providing various program services and supporting activities have been summarized on a functional basis in the consolidated statements of functional expenses.

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Church's financial assets as of March 31, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial position date. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Church considers general expenditures to include all expenditures related to its ongoing ministry and outreach activities during the normal course of the year as well as the conduct of services undertaken to support those activities.

	March 31,	
	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash, cash equivalents, and restricted cash	<u>\$ 8,688,751</u>	<u>\$ 8,094,501</u>
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions: purpose restrictions	(563,756)	(1,860,941)
Restricted cash for building and land	(473,193)	(594,520)
Board and management designations:		
North Indy congregation	(1,478,546)	(607,214)
Greenwood congregation	-	(19,444)
One Fellowship congregation	(5,000)	(5,000)
	<u>(2,520,495)</u>	<u>(3,087,119)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 6,168,256</u></u>	<u><u>\$ 5,007,382</u></u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

The Church is substantially supported by contributions, which at times are received with restrictions. Those contributions with donor restrictions require resources to be used in a particular manner or in a future period. The Church must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. The Church has \$2,831,870 in net assets with donor restrictions for specific purposes as of March 31, 2022, of which \$77,101 were transferred to the One Fellowship congregation as part of their transition to an unaffiliated, self-governed church subsequent to fiscal year end. Additionally, \$1,718,000 of the total net assets with donor restrictions are considered available to meet ministry needs for general expenditures within one year as of March 31, 2022 (specifically related to estimated Christmas offering disbursements budgeted to be released in the next year). The Church had \$2,962,351 in net assets with donor restrictions for specific purposes as of March 31, 2021, of which \$29,468 will be transferred to the Greenwood congregation as part of their transition to an unaffiliated, self-governed church during the fiscal year ended March 31, 2022. (see Notes 7 and 13). Additionally, \$1,071,942 of the total net assets with donor restrictions are considered available to meet ministry needs for general expenditures within one year as of March 31, 2021 (specifically related to estimated Christmas offering disbursements budgeted to be released for the year ended March 31, 2022).

As part of the Church's liquidity management, the Church has established guidelines for making decisions related to managing short term cash reserves and other investments in a prudent manner. The Church follows a conservative approach to managing cash reserves through use of low risk money market accounts in an effort to maintain principal balances and avoid investment losses. Also, the Church has a secured revolving line of credit (see Note 5) of which, \$1,000,000 remains available to draw as of March, 31, 2022 and 2021.

4. PROPERTY AND EQUIPMENT-NET:

Property and equipment, consists of:

	March 31,	
	2022	2021
Land and improvements	\$ 3,783,982	\$ 3,546,980
Building and improvements	27,504,963	28,859,930
Furniture and equipment	2,997,647	2,573,223
	<u>34,286,592</u>	<u>34,980,133</u>
Less accumulated depreciation	(14,557,213)	(13,613,430)
	<u>19,729,379</u>	<u>21,366,703</u>
Construction in process	34,950	34,446
	<u>19,764,329</u>	<u>21,401,149</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

5. DEBT:

### CROSSBRIDGE FUNDING GROUP, LLC MORTGAGE LOAN

During June 2018, the Church entered into an agreement with a local church in Greenwood, Indiana to transfer and convey all of its real estate and related debt. As part of this agreement, the Church assumed all of the associated debt, which approximated \$1,115,000. This debt has a maturity date of October 28, 2026. The loan is secured by land and a building on the Greenwood church property. There is a fixed interest rate of 4.75% until October 28, 2021. Monthly payments include principal and interest for \$6,579, with a balloon payment of approximately \$856,000. In October 2021, the interest rate will be adjusted to equal the then current five year U.S. Treasury Constant Maturities Index plus 350 basis points. As described in Note 1, the Church transferred all related assets and liabilities over to the self-governed Crosspointe Community Church, Inc. (Crosspointe) effective April 1, 2021. As a result, Crosspointe assumed the existing mortgage on the related real estate.

### BUTLER HOUSE BANK MORTGAGE LOAN

The Church owns a home in Indianapolis which is used for missionary residency and outreach to the students of Butler University. The mortgage is payable to a bank, with monthly payments of \$1,600 through April 2023. The monthly payments include principal and interest at a fixed annual rate of 3.5%.

### CAPITAL LEASE OBLIGATION

The Church acquired two copiers through a capital lease arrangement. The present value of the future minimum lease payments required by the lease and the corresponding liability have been reported as property and equipment, and debt, respectively. The Church is required to make monthly payments of \$1,314 through August 2022.

Debt consists of:

	March 31,	
	2022	2021
Crossbridge mortgage loan	\$ -	\$ 1,037,365
Butler house bank mortgage loan	15,734	34,556
Capital lease obligation	1,302	14,852
	<u>\$ 17,036</u>	<u>\$ 1,086,773</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

5. DEBT, continued:

Debt is estimated to mature as follows:

<u>Year Ending March 31,</u>	
2023	\$ 15,465
2024	<u>1,571</u>
	<u><u>\$ 17,036</u></u>

### DEBT COVENANTS

The Church was in compliance with all financial and reporting debt covenants as of March 31, 2022 and 2021.

### CAPITAL LEASE DISCLOSURE

The net book value of the assets associated with the capital lease, are:

	<u>March 31,</u>	
	<u>2022</u>	<u>2021</u>
Equipment	\$ 60,721	\$ 60,721
Less accumulated depreciation	<u>(56,672)</u>	<u>(44,529)</u>
	<u><u>\$ 4,049</u></u>	<u><u>\$ 16,192</u></u>

### LINE OF CREDIT

The Church has a \$1,000,000 revolving line of credit which matured during the fiscal year on November 4, 2021, but was renewed for another one-year term through November 3, 2022. The loan is secured by related land and negative pledge on property. The interest rate is the prime rate, as published in the Money Rates section of the Wall Street Journal. As of March 31, 2022 and 2021, the interest rate was 3.50% and 3.25%, respectively. Monthly payments are interest only with final payment at maturity. The Church made no draws on this line of credit during the years ended March 31, 2022 and 2021.

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

6. NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions consist of:

	March 31,	
	2022	2021
Undesignated	\$ 23,641,552	\$ 24,476,762
Board and management designated:		
North Indy congregation:		
Global outreach fund	45,944	46,445
Local outreach fund–Christmas	44,335	44,335
Benevolent fund	13,129	12,629
Building and land fund	879,036	355,504
Next Door fund	496,102	133,301
Grants	-	15,000
	1,478,546	607,214
Greenwood congregation (transferred effective April 1, 2021):		
Global outreach fund	-	17,675
Benevolent fund	-	1,769
	-	19,444
One Fellowship congregation:		
Benevolent fund	5,000	5,000
	5,000	5,000
Total board and management designated	1,483,546	631,658
	\$ 25,125,098	\$ 25,108,420

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

7. NET ASSETS WITH DONOR RESTRICTIONS—BY PURPOSE:

Net assets with donor restrictions by purpose and activities are as follows:

	Net Assets March 31, 2021	Contributions With Donor Restrictions	Reclassifications	Net Assets March 31, 2022
North Indy congregation:				
Global outreach fund	\$ 14,215	\$ 988,790	\$ (852,646)	\$ 150,359
Global outreach fund—Christmas	1,267,876	1,337,653	(828,977)	1,776,552
Local outreach fund	-	95,881	(95,881)	-
Local outreach fund—Christmas	819,189	-	(674,836)	144,353
Benevolent fund	115,135	122,723	(111,125)	126,733
Building and land fund—other	-	7,280	(7,280)	-
Butler house renovation	177,800	128,330	(220,189)	85,941
Next Door fund	48,343	62,770	(38,534)	72,579
Multiply	387,252	-	-	387,252
Leadership development	40,000	12,500	(52,500)	-
Grants	18,271	11,000	(18,271)	11,000
	<u>2,888,081</u>	<u>2,766,927</u>	<u>(2,900,239)</u>	<u>2,754,769</u>
Greenwood congregation:				
Building and land fund	29,468	350	(29,818)	-
	<u>29,468</u>	<u>350</u>	<u>(29,818)</u>	<u>-</u>
One Fellowship congregation:				
Global outreach fund- Christmas	-	30,264	-	30,264
Local outreach fund—Christmas	35,000	-	(590)	34,410
Benevolent fund	9,802	5,395	(2,770)	12,427
	<u>44,802</u>	<u>35,659</u>	<u>(3,360)</u>	<u>77,101</u>
	<u>\$ 2,962,351</u>	<u>\$ 2,802,936</u>	<u>\$ (2,933,417)</u>	<u>\$ 2,831,870</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

7. NET ASSETS WITH DONOR RESTRICTIONS—BY PURPOSE:

Net assets with donor restrictions by purpose and activities are as follows:

	Net Assets March 31, 2020	Contributions With Donor Restrictions	Reclassifications	Net Assets March 31, 2021
North Indy congregation:				
Global outreach fund	\$ -	\$ 463,704	\$ (449,489)	\$ 14,215
Global outreach fund—Christmas	1,994,793	-	(726,917)	1,267,876
Local outreach fund	-	77,430	(77,430)	-
Local outreach fund—Christmas	134,855	1,191,939	(507,605)	819,189
Benevolent fund	-	223,843	(108,708)	115,135
Building and land fund—other	-	18,167	(18,167)	-
Butler house renovation	-	177,800	-	177,800
Next Door fund	93,879	7,547	(53,083)	48,343
Multiply	387,252	-	-	387,252
Leadership development	-	40,000	-	40,000
Grants	-	19,950	(1,679)	18,271
	<u>2,610,779</u>	<u>2,220,380</u>	<u>(1,943,078)</u>	<u>2,888,081</u>
Castleton congregation:				
Benevolent fund	19,335	-	(19,335)	-
Next Door fund	288	-	(288)	-
	<u>19,623</u>	<u>-</u>	<u>(19,623)</u>	<u>-</u>
Greenwood congregation:				
Global outreach fund	-	100	(100)	-
Global outreach fund- Christmas	-	16,479	(16,479)	-
Building and land fund	18,731	17,975	(7,238)	29,468
	<u>18,731</u>	<u>34,554</u>	<u>(23,817)</u>	<u>29,468</u>
One Fellowship congregation:				
Local outreach fund—Christmas	-	40,000	(5,000)	35,000
Benevolent fund	3,613	8,939	(2,750)	9,802
	<u>3,613</u>	<u>48,939</u>	<u>(7,750)</u>	<u>44,802</u>
	<u>\$ 2,652,746</u>	<u>\$ 2,303,873</u>	<u>\$ (1,994,268)</u>	<u>\$ 2,962,351</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

8. REVENUE AND LOSSES:

Revenue and losses consists of:

	Year Ended March 31,	
	2022	2021
Cybersecurity loss	\$ (300,000)	\$ -
Insurance proceeds	166,979	-
Registration fees and sales	86,030	84,060
Grant revenue	11,000	24,114
Other income	9,542	11,972
	<u>\$ (26,449)</u>	<u>\$ 120,146</u>

9. EMPLOYEE BENEFITS:

The Church has established a 403(b) plan for all regular full-time employees and part-time employees who regularly work at least twenty hours per week. The Church matches all employee contributions up to 7 percent of an employee's gross salary. Church contributions were approximately \$223,000 and \$222,000 for the years ended March 31, 2022 and 2021, respectively.

The Church also provides its full-time employees with the following benefits: group life insurance, group accidental and medical insurance, group long-term care, and employer paid medical insurance premiums. A more complete description of the benefit provisions can be found in the respective plan agreements. Church expenses for these other benefits were approximately \$833,000 and \$944,000 for the years ended March 31, 2022 and 2021, respectively.

10. OPERATING LEASES:

The Church leases various office equipment and building space through noncancellable operating leases. These leases expire between November 2021 and July 2023. Operating leases consist of payments for the use of rental space and a mailing machine. Lease payments for the years ended March 31, 2022 and 2021, were approximately \$44,000 and \$47,000, respectively. The building lease was assumed by One Fellowship upon separation effective April 1, 2022. See Note 13. Future minimum lease payments are as follows:

Year Ending March 31,	
2023	\$ 21,263
2024	7,141
2025	491
	<u>\$ 28,895</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

### 11. RELATED PARTY TRANSACTIONS:

Approximately \$753,000 and \$775,000 of contributions were received from members of the Church's Board of Elders during the years ended March 31, 2022 and 2021, respectively.

A member of the Board of Elders at the Church holds a position of influence with a nonprofit organization. During the years ended March 31, 2022 and 2021, the Church granted approximately \$20,000 and \$319,000, respectively, to the nonprofit organization to fund furniture projects, which in turn helps rebuild lives of individuals broken by addiction or homelessness by equipping them with valuable work skills and providing the gift of work.

A member of the Board of Elders holds a position of influence with a nonprofit organization. For the years ended March 31, 2022 and 2021, the Church granted approximately \$20,000 and \$25,000, respectively, to the nonprofit organization to fund discipleship.

A member of the Board of Elders is a missionary with a nonprofit organization. For the years ended March 31, 2022 and 2021, the Church granted approximately \$27,000 and \$24,000, respectively to the nonprofit organization to fund missionary support.

A pastor at the Church hold positions of influence with a nonprofit organization. For each year ended March 31, 2022 and 2021, the Church granted approximately \$243,000 and \$40,000, respectively, to the nonprofit organization to fund projects for mothers in crisis.

Members of the Board of Elders also hold positions of influence with selected vendors that provide services to the Church. For the year ended March 31, 2022, the Church paid approximately \$56,000 to these vendors for various services including legal and construction work.

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2022 and 2021

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 26, 2022, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Effective April 1, 2022, the One Fellowship congregation officially separated from the Church as an unaffiliated, self-governing entity. The Church's Board approved a transfer of the related assets and liabilities to the new entity at the time of separation, as follows:

Cash	\$	252,221
Prepaid expenses		4,999
Property and equipment, at cost—net of accumulated depreciation of \$177,350		270,801
Accounts payable and accrued expenses		<u>(15,065)</u>
	\$	<u>512,956</u>

Effective July 31, 2022, Gladstone Property, LLC, entered into an agreement to sell certain real property to a local Indianapolis church for \$200,000.