



**COLLEGE PARK CHURCH**

COLLEGE PARK CHURCH

Consolidated Financial Statements  
With Independent Auditors' Report

March 31, 2020 and 2019

# COLLEGE PARK CHURCH

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## INDEPENDENT AUDITORS' REPORT

Board of Elders  
College Park Church  
Indianapolis, Indiana

We have audited the accompanying consolidated financial statements of College Park Church, which comprise the consolidated statements of financial position as of March 31, 2020 and 2019, 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.

### *Management's Responsibility for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

### *Opinion*

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, 2020 and 2019, and the changes in its consolidated net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Capin Crouse LLP".

Indianapolis, Indiana  
August 20, 2020

# COLLEGE PARK CHURCH

## Consolidated Statements of Financial Position

	March 31,	
	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash and cash equivalents	\$ 5,613,412	\$ 4,884,455
Prepaid expenses	11,949	-
Property and equipment, at cost-net	<u>23,766,967</u>	<u>27,351,702</u>
Total Assets	<u>\$ 29,392,328</u>	<u>\$ 32,236,157</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 98,828	\$ 364,410
Accrued expenses	249,920	210,099
Capital lease obligation	29,179	43,696
Mortgage loans	<u>1,123,165</u>	<u>1,167,805</u>
	<u>1,501,092</u>	<u>1,786,010</u>
Net assets:		
Without donor restrictions	25,238,490	27,247,538
With donor restrictions by purpose	<u>2,652,746</u>	<u>3,202,609</u>
	<u>27,891,236</u>	<u>30,450,147</u>
Total Liabilities and Net Assets	<u>\$ 29,392,328</u>	<u>\$ 32,236,157</u>

See notes to consolidated financial statements

# COLLEGE PARK CHURCH

## Consolidated Statements of Activities

	Year Ended March 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Support:						
Contributions	\$ 12,447,494	\$ 1,502,996	\$ 13,950,490	\$ 11,610,614	\$ 2,666,442	\$ 14,277,056
Donated land, property, and equipment	-	-	-	498,175	-	498,175
Christmas offerings	12,447,494	1,361,446	13,611,446	-	1,504,615	1,504,615
Revenue	239,076	2,864,442	3,103,518	12,108,789	4,171,057	16,279,846
				265,620	-	265,620
Total Support and Revenue	12,686,570	2,864,442	15,551,012	12,374,409	4,171,057	16,545,466
RECLASSIFICATIONS:						
Net assets released by satisfaction of purpose restrictions	3,414,305	(3,414,305)	-	4,364,179	(4,364,179)	-
EXPENSES:						
Program services:						
Church ministries	12,778,262	-	12,778,262	9,241,767	-	9,241,767
Local outreach	748,892	-	748,892	928,149	-	928,149
Global outreach	2,602,251	-	2,602,251	3,532,909	-	3,532,909
Supporting activities:						
Management and general	1,980,518	-	1,980,518	2,026,779	-	2,026,779
Fundraising	-	-	-	89,939	-	89,939
Total Expenses	18,109,923	-	18,109,923	15,819,543	-	15,819,543
Change in Net Assets	(2,009,048)	(549,863)	(2,558,911)	919,045	(193,122)	725,923
Net Assets, Beginning of Year	27,247,538	3,202,609	30,450,147	26,328,493	3,395,731	29,724,224
Net Assets, End of Year	\$ 25,238,490	\$ 2,652,746	\$ 27,891,236	\$ 27,247,538	\$ 3,202,609	\$ 30,450,147

See notes to consolidated financial statements

# COLLEGE PARK CHURCH

## Consolidated Statement of Functional Expenses

Year Ended March 31, 2020

	Program Services			Total Program Services	Management and General		Supporting Activities		Total
	Church Ministries	Local Outreach	Global Outreach		General	Fundraising Expenses	Supporting Activities	Total	
Salaries and benefits	\$ 5,280,210	\$ -	\$ -	\$ 5,280,210	\$ 1,320,053	\$ -	\$ -	\$ 1,320,053	\$ 6,600,263
Grant expense (transfer assets to Fishers congregation)	3,569,701	-	-	3,569,701	-	-	-	-	3,569,701
Contributions to global and local outreach partners	-	748,892	2,602,251	3,351,143	-	-	-	-	3,351,143
Depreciation	1,235,159	-	-	1,235,159	65,008	-	-	65,008	1,300,167
Facility and facility maintenance	1,138,348	-	-	1,138,348	191,157	-	-	191,157	1,329,505
Information technology costs	339,131	-	-	339,131	17,849	-	-	17,849	356,980
Professional fees	-	-	-	-	55,703	-	-	55,703	55,703
Interest	53,697	-	-	53,697	2,826	-	-	2,826	56,523
Other	1,162,016	-	-	1,162,016	327,922	-	-	327,922	1,489,938
<b>Total Expenses</b>	<b>\$ 12,778,262</b>	<b>\$ 748,892</b>	<b>\$ 2,602,251</b>	<b>\$ 16,129,405</b>	<b>\$ 1,980,518</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,980,518</b>	<b>\$ 18,109,923</b>

See notes to consolidated financial statements

# COLLEGE PARK CHURCH

## Consolidated Statement of Functional Expenses

Year Ended March 31, 2019

	Program Services			Supporting Activities			Total	
	Church Ministries	Local Outreach	Global Outreach	Total Program Services	Management and General	Fundraising Expenses		Supporting Activities
Salaries and benefits	\$ 5,214,762	\$ -	\$ -	\$ 5,214,762	\$ 1,303,688	\$ -	\$ 1,303,688	\$ 6,518,450
Contributions to global and local outreach partners	-	928,149	3,532,909	4,461,058	-	-	-	4,461,058
Depreciation	1,231,301	-	-	1,231,301	64,805	-	64,805	1,296,106
Facility and facility maintenance	972,885	-	-	972,885	168,281	-	168,281	1,141,166
Information technology costs	395,979	-	-	395,979	20,841	-	20,841	416,820
Professional fees	-	-	-	-	81,995	89,939	171,934	171,934
Interest	55,199	-	-	55,199	2,905	-	2,905	58,104
Other	1,371,641	-	-	1,371,641	384,264	-	384,264	1,755,905
<b>Total Expenses</b>	<b>\$ 9,241,767</b>	<b>\$ 928,149</b>	<b>\$ 3,532,909</b>	<b>\$ 13,702,825</b>	<b>\$ 2,026,779</b>	<b>\$ 89,939</b>	<b>\$ 2,116,718</b>	<b>\$ 15,819,543</b>

See notes to consolidated financial statements

# COLLEGE PARK CHURCH

## Consolidated Statement of Cash Flows

	Year Ended March 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (2,558,911)	\$ 725,923
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,300,167	1,296,106
Noncash transfer of property and equipment	2,576,749	-
Write-off construction in progress	87,014	-
Donated land, property, and equipment	-	(498,175)
Building fund cash contributions	(29,457)	(979,336)
Gain on disposal of asset	-	(4,500)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(11,949)	92,537
Accounts payable	(265,582)	130,876
Accrued expenses	39,821	28,800
Net Cash Provided by Operating Activities	1,137,852	792,231
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of property and equipment	-	6,000
Purchases of property and equipment	(379,195)	(1,013,835)
Net Cash Used by Investing Activities	(379,195)	(1,007,835)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on debt	(59,157)	(445,953)
Building fund cash contributions	29,457	979,336
Net Cash Provided (Used) by Financing Activities	(29,700)	533,383
Change in Cash and Cash Equivalents	728,957	317,779
Cash and Cash Equivalents, Beginning of Year	4,884,455	4,566,676
Cash and Cash Equivalents, End of Year	\$ 5,613,412	\$ 4,884,455
<b>SUPPLEMENTAL INFORMATION:</b>		
Assumption of debt on Greenwood church property transfer	\$ -	\$ 1,111,825
Cash paid for interest	\$ 56,523	\$ 58,104
Property and equipment in accounts payable	\$ -	\$ 54,685

See notes to consolidated financial statements



# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

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 four congregations: North Indianapolis, Castleton, Greenwood, 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.

The Fishers congregation organized as a separate legal entity as of August 29, 2018, but still operated as a congregation of the Church through March 31, 2019. Effective April 1, 2019, the Church granted all related assets totaling approximately \$3,570,000 to the Fishers congregation.

The Castleton congregation organized as a separate legal entity during the year ended March 31, 2020, but still operated as a congregation of the Church through March 31, 2020. See Note 13 for the planned separation and related transfer of the Castleton congregation assets effective April 1, 2020.

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.

La Vid Verdadera, a Hispanic Church, operates as an extension of College Park Church’s local outreach ministry and is not a separate legal entity. Its financial activity is included within College Park Church’s financial records.

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.

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

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, 2020 and 2019, the Church had cash on deposit with financial institutions that exceed the federally insured (FDIC) balance by approximately \$5,289,000 and \$4,504,000, respectively.

### 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, 2020 and 2019

### 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. During the year ended March 31, 2019, the Greenwood and One Fellowship congregations were funded through the North Indy - Next Door restricted fund. Starting April 1, 2020, both congregations had their own separate restricted funds. 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

Expenses are reported when incurred. There were no advertising costs or joint costs for the years ended March 31, 2020 and 2019. 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, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

**ADOPTION OF NEW ACCOUNTING STANDARDS**

In 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers* (topic 606 of the FASB Accounting Standards Codification). The Church adopted the provisions of this new standard during the year ended March 31, 2020. The new standard applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Adoption of this standard had no effect on change in net assets or net assets in total.

In 2018, FASB issued ASU. No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Church adopted the provisions of this new standard during the year ended March 31, 2020. The new standard clarifies and improved current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. Adoption of this standard had no effect on change in net assets or net assets in total.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Church's financial assets as of March 31, 2020 and 2019, 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,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 5,613,412	\$ 4,884,455
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions: purpose restrictions	(1,606,327)	(711,984)
Board and management designations:		
North Indy congregation	(513,521)	(462,539)
Fishers congregation	-	(115,228)
Castleton congregation	(95,419)	(74,459)
Greenwood congregation	(20,693)	-
One Fellowship congregation	(5,000)	-
	(2,240,960)	(1,364,210)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,372,452	\$ 3,520,245

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

The Church is substantially supported by contributions, which at times are received with restrictions. Those contributions with donor restriction 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 \$2,652,746 in net assets with donor restrictions for specific purposes as of March 31, 2020, of which \$95,419 will be transferred to the Castleton congregation as part of their transition to an unaffiliated, self-governed church subsequent to fiscal year end (see Notes 7 and 13). Additionally, \$951,000 of the total net assets with donor restrictions is considered available to meet ministry needs for general expenditures within one year. The Church had \$3,202,609 in net assets with donor restrictions for specific purposes as of March 31, 2019, of which \$1,110,112 was transferred to the Fishers congregation as part of their transition to an unaffiliated, self-governed church. Additionally as of March 31, 2019, \$1,380,513 of the total net assets with donor restrictions was considered available to meet ministry needs for general expenditures within one year.

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, 2020 and 2019.

4. PROPERTY AND EQUIPMENT AND NET INVESTMENT IN PROPERTY AND EQUIPMENT:

Property and equipment, consists of:

	March 31,	
	2020	2019
Land and improvements	\$ 4,462,826	\$ 4,953,338
Building and improvements	29,459,465	31,002,821
Furniture and equipment	2,726,012	2,852,078
	<u>36,648,303</u>	<u>38,808,237</u>
Less accumulated depreciation	(12,881,336)	(12,002,236)
	<u>23,766,967</u>	<u>26,806,001</u>
Construction in process	-	545,701
	<u>\$ 23,766,967</u>	<u>\$ 27,351,702</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

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.

### 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,	
	2020	2019
Crossbridge mortgage loan	\$ 1,065,594	\$ 1,092,875
Butler house bank mortgage loan	57,571	74,930
Capital lease obligation	29,179	43,696
	<u>\$ 1,152,344</u>	<u>\$ 1,211,501</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

5. DEBT, continued:

Debt is estimated to mature as follows:

<u>Year Ending March 31,</u>	
2021	\$ 59,457
2022	64,333
2023	50,430
2024	37,122
2025	35,018
Thereafter	<u>905,984</u>
	<u>\$ 1,152,344</u>

### DEBT COVENANTS

The Church was in compliance with all financial and reporting debt covenants as of March 31, 2020 and 2019.

### CAPITAL LEASE DISCLOSURE

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

	<u>March 31,</u>	
	<u>2020</u>	<u>2019</u>
Equipment	\$ 60,721	\$ 60,721
Less accumulated depreciation	<u>(32,385)</u>	<u>(20,240)</u>
	<u>\$ 28,336</u>	<u>\$ 40,481</u>

### LINE OF CREDIT

The Church has \$1,000,000 revolving line of credit with a maturity date of November 5, 2020. 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, 2020 and 2019, the interest rate was 3.25% and 5.50%, respectively. Monthly payments are interest only. The Church made no draws on this line of credit during the years ended March 31, 2020 and 2019.

### INTERNAL NOTE PAYABLE

In 2018, the Church recorded an internal note payable to the global Christmas offering funds. Net assets with donor restrictions in the amount of \$750,000 were internally borrowed to avoid additional external debt. The internal principal balance was \$-0- and \$444,000 at March 31, 2020 and 2019, respectively. Interest was not charged on the note and minimum monthly payments of \$45,000 were due beginning November 2018. The internal note was paid off in full in March 2020. This internal note payable is eliminated in the consolidated financial statements.

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

6. NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions consist of:

	March 31,	
	2020	2019
Undesignated	\$ 24,603,857	\$ 26,595,312
Board and management designated:		
North Indy congregation:		
Global outreach fund	46,445	20,093
Local outreach fund	-	125,345
Benevolent fund	12,629	47,498
Building and land fund	246,514	83,124
Next Door fund	207,933	186,479
	513,521	462,539
Fishers congregation:		
Global outreach fund	-	37,830
Local outreach fund	-	65,790
Benevolent fund	-	8,697
Next Door fund	-	2,911
	-	115,228
Castleton congregation:		
Global outreach fund	61,124	55,416
Local outreach fund	34,295	19,043
Benevolent fund	5,516	-
Building and land fund	26,474	-
	95,419	74,459
Greenwood congregation:		
Global outreach fund	20,693	-
Benevolent fund	4,650	-
	20,693	-
One Fellowship congregation:		
Benevolent fund	5,000	-
	5,000	-
 Total board and management designated	 634,633	 652,226
	\$ 25,238,490	\$ 27,247,538



# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

7. NET ASSETS WITH DONOR RESTRICTIONS—BY PURPOSE:

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

	Net Assets March 31, 2019	Contributions With Donor Restrictions	Reclassifications	Net Assets March 31, 2020
North Indy congregation:				
Global outreach fund	\$ -	\$ 552,211	\$ (552,211)	\$ -
Global outreach fund—Christmas	1,872,444	1,361,446	(1,239,097)	1,994,793
Local outreach fund	-	139,328	(139,328)	-
Local outreach fund—Christmas	180,513	-	(45,658)	134,855
Benevolent fund	28,441	166,036	(194,477)	-
Building and land fund—				
Mission expansion project	-	-	-	-
Building and land fund—other	-	29,457	(29,457)	-
Next Door fund	5,553	132,687	(44,361)	93,879
Multiply	-	387,252	-	387,252
	<u>2,086,951</u>	<u>2,768,417</u>	<u>(2,244,589)</u>	<u>2,610,779</u>
Fishers congregation:				
Building and land fund	1,110,112	-	(1,110,112)	-
Castleton congregation:				
Global outreach fund	-	11,441	(11,441)	-
Local outreach	1,700	2,672	(4,372)	-
Benevolent fund	3,846	23,420	(7,931)	19,335
Building and land fund	-	-	-	-
Next Door fund	-	288	-	288
	<u>5,546</u>	<u>37,821</u>	<u>(23,744)</u>	<u>19,623</u>
Greenwood congregation:				
Global outreach fund	-	8,141	(8,141)	-
Benevolent fund	-	-	-	-
Building and land fund	-	46,450	(27,719)	18,731
	<u>-</u>	<u>54,591</u>	<u>(35,860)</u>	<u>18,731</u>
One Fellowship congregation:				
Benevolent fund	-	3,613	-	3,613
	<u>-</u>	<u>3,613</u>	<u>-</u>	<u>3,613</u>
	<u>\$ 3,202,609</u>	<u>\$ 2,864,442</u>	<u>\$ (3,414,305)</u>	<u>\$ 2,652,746</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

7. NET ASSETS WITH DONOR RESTRICTIONS—BY PURPOSE:

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

	Net Assets March 31, 2018	Contributions With Donor Restrictions	Reclassifications	Net Assets March 31, 2019
North Indy congregation:				
Global outreach fund	\$ -	\$ 539,370	\$ (539,370)	\$ -
Global outreach fund—Christmas	2,486,699	1,479,760	(2,094,015)	1,872,444
Local outreach fund	-	136,230	(136,230)	-
Local outreach fund—Christmas	361,080	-	(180,567)	180,513
Benevolent fund	12,999	323,675	(308,233)	28,441
Building and land fund—				
Mission expansion project	-	50,000	(50,000)	-
Building and land fund—other	-	56,856	(56,856)	-
Next Door fund	-	629,693	(624,140)	5,553
	<u>2,860,778</u>	<u>3,215,584</u>	<u>(3,989,411)</u>	<u>2,086,951</u>
Fishers congregation:				
Global outreach fund	-	22,286	(22,286)	-
Local outreach	10,600	5,014	(15,614)	-
Local outreach fund—Christmas	-	-	-	-
Benevolent fund	5,405	3,656	(9,061)	-
Building and land fund	517,730	872,355	(279,973)	1,110,112
Next Door fund	-	506	(506)	-
	<u>533,735</u>	<u>903,817</u>	<u>(327,440)</u>	<u>1,110,112</u>
Castleton congregation:				
Global outreach fund	888	31,696	(32,584)	-
Local outreach	330	2,546	(1,176)	1,700
Benevolent fund	-	17,207	(13,361)	3,846
Building and land fund	-	125	(125)	-
Next Door fund	-	82	(82)	-
	<u>1,218</u>	<u>51,656</u>	<u>(47,328)</u>	<u>5,546</u>
	<u>\$ 3,395,731</u>	<u>\$ 4,171,057</u>	<u>\$ (4,364,179)</u>	<u>\$ 3,202,609</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

8. REVENUE:

Revenue consists of:

	Year Ended March 31,	
	2020	2019
Registration fees and sales	\$ 214,711	\$ 249,806
Other income	24,365	11,314
Gain on disposal of asset	-	4,500
	<u>\$ 239,076</u>	<u>\$ 265,620</u>

9. EMPLOYEE BENEFITS:

TAX SHELTERED ANNUITY 403(b) PLAN

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 \$237,000 and \$199,000 for the years ended March 31, 2020 and 2019, respectively.

OTHER BENEFITS

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 \$1,021,000 and \$1,044,000 for the years ended March 31, 2020 and 2019, 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 year ended March 31, 2020 and 2019, were approximately \$44,000 and \$21,000, respectively. Future minimum lease payments are as follows:

Year Ending March 31,	
2021	\$ 53,998
2022	41,998
2023	10,238
	<u>\$ 106,234</u>

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

11. RELATED PARTY TRANSACTIONS:

Approximately \$652,000 and \$712,000 of contributions were received from members of the Church's Board of Elders during the years ended March 31, 2020 and 2019, 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, 2020 and 2019, the Church granted approximately \$-0- and \$23,500, 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 at the Church owns a construction company. During the year ended March 31, 2020, the Church paid \$64,000 to this company for services rendered.

A member of the Board of Elders and a Pastor at the Church hold positions of influence with a nonprofit organization. For each year ended March 31, 2020 and 2019, the Church granted approximately \$47,500, respectively, to the nonprofit organization to fund projects for mothers in crisis.

12. RISKS AND UNCERTAINTIES:

In March of 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets as well as caused disruption through mandated and voluntary closings and/or transitions to remote work. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Church for future periods. Management is carefully monitoring the situation.

# COLLEGE PARK CHURCH

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through August 20, 2020, 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, 2020, the Castleton congregation officially separated from the Church as an unaffiliated, self-governing entity to form Castleton Community Church, Inc., an Indiana nonprofit organization. The Church's board approved a transfer of assets to the new entity at the time of separation, for the following:

Cash	\$ 306,104
Prepaid expenses	9,256
Property and equipment, at cost—net of accumulated depreciation of \$353,420	1,453,416
Accounts payable and accrued expenses	<u>(14,966)</u>
	<u>\$ 1,753,810</u>

As part of the response to the impact of COVID-19, the Church applied for a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. The Church was approved for a loan in the amount of \$1,157,100 on April 15, 2020. The Church intends to apply for forgiveness based upon the terms of the PPP Loan.