

VINEYARD USA AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

VINEYARD USA AND SUBSIDIARIES
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June 25, 2025

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Vineyard USA and Subsidiaries
Stafford, Texas

Opinion

We have audited the accompanying consolidated financial statements of Vineyard USA (a non-profit corporation), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year 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 Vineyard USA as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the

Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 the Organization'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 the Organization'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.

Beeson, Hoffman + Siddall

VINEYARD USA & SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,630,478
Certificates of deposit	4,748,315
Accounts receivable	580,162
Prepaid expenses	95,965
Inventory	31,958
Total Current Assets	<u>7,086,878</u>

Other Assets

Investments in mutual funds	2,001,782
Notes receivable	172,849
Album masters, net	63,265
Total Other Assets	<u>2,237,896</u>

Total Assets	\$ <u>9,324,774</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 167,861
Deferred revenue	27,000
Deferred compensation payable	402,139
Total Current Liabilities	<u>597,000</u>

Net Assets

Net assets without donor restrictions:	
Undesignated	6,510,016
Board designated	363,588
Total net assets without donor restrictions	<u>6,873,604</u>

Net assets with donor restrictions	<u>1,854,170</u>
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Total Net Assets	<u>8,727,774</u>
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Total Liabilities and Net Assets	\$ <u>9,324,774</u>
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See accompanying notes.

VINEYARD USA & SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Donations	\$ 5,411,689	\$ 504,636	\$ 5,916,325
Events	742,306	-	742,306
Royalties, publishing and licensing	1,173,657	-	1,173,657
Sales	188,869	-	188,869
Interest and dividends	291,383	-	291,383
Realized and unrealized gains	92,311	-	92,311
Gain on sale of property	523,468	-	523,468
Other income	104,112	-	104,112
Net assets released from restrictions	<u>301,473</u>	<u>(301,473)</u>	<u>-</u>
Total Support and Revenues	<u>8,829,268</u>	<u>203,163</u>	<u>9,032,431</u>
Expenses			
Program Activities:			
Ministry	<u>7,530,583</u>	<u>-</u>	<u>7,530,583</u>
Supporting Activities:			
Management and general	1,631,493	-	1,631,493
Fundraising	<u>606,311</u>	<u>-</u>	<u>606,311</u>
Total Supporting Activities:	<u>2,237,804</u>	<u>-</u>	<u>2,237,804</u>
Total Expenses	<u>9,768,387</u>	<u>-</u>	<u>9,768,387</u>
Change in Net Assets	(939,119)	203,163	(735,956)
Net Assets - December 31, 2023	<u>7,812,723</u>	<u>1,651,007</u>	<u>9,463,730</u>
Net Assets - December 31, 2024	<u>\$ 6,873,604</u>	<u>\$ 1,854,170</u>	<u>\$ 8,727,774</u>

See accompanying notes.

VINEYARD USA & SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program: Ministry	Support: Management & General	Fundraising	Total
Affinity support	\$ 41,500	\$ -	\$ -	\$ 41,500
Communications	18,010	18,010	-	36,020
Conferences and retreats	562,914	-	-	562,914
Cost of goods sold	912,859	-	-	912,859
Depreciation and amortization	66,361	1,786	-	68,147
Fundraising	-	-	240,000	240,000
Global support	488,111	-	-	488,111
Marketing	15,294	-	-	15,294
Meals and entertainment	49,281	49,281	7,419	105,981
Ministry	693,911	-	-	693,911
Miscellaneous	88,560	74,369	-	162,929
Multiply grants	12,000	-	-	12,000
National Leadership Conference	829,121	-	-	829,121
Office	158,006	128,477	6,010	292,493
Personnel	2,656,691	1,175,019	322,008	4,153,718
Professional fees	73,765	43,010	-	116,775
Regional	463,319	-	-	463,319
Repairs and maintenance	21,669	21,669	-	43,338
Spiritual care consulting	67,440	-	-	67,440
Travel	311,771	119,872	30,874	462,517
	<u>\$ 7,530,583</u>	<u>\$ 1,631,493</u>	<u>\$ 606,311</u>	<u>\$ 9,768,387</u>

See accompanying notes.

VINEYARD USA & SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Operating Activities

Change in net assets	\$ (735,956)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	68,147
Gain on sale of property	(523,468)
Sources and (uses) of cash from changes in operating assets and liabilities:	
Accounts receivable	(389,251)
Prepays	(58,310)
Inventory	2,843
Notes receivable	29,572
Accounts payable and accrued expenses	(47,294)
Deferred revenue	<u>(36,394)</u>

Net Cash from Operating Activities (1,690,111)

Investing Activities

Change in certificates of deposit	868,694
Purchase of investments	(87,140)
Proceeds from sale of property	979,458
Expenditures for album masters	<u>(22,141)</u>

Net Cash from Investing Activities 1,738,871

Net Change in Cash 48,760

Beginning Cash 1,581,718

Ending Cash \$ 1,630,478

See accompanying notes.

VINEYARD USA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 1: Organization and Purpose

The primary purpose of Vineyard USA is to participate in the advancement of the Kingdom of God through the work of local Vineyard churches that communicate the Gospel of Jesus Christ in word and deed. Vineyard USA is a non-profit corporation, and is exempt from income taxes under Internal Revenue Code Section 501(c) (3) and comparable state law.

Vineyard USA provides financial support and the board members to Vineyard Music USA (Worship) and Vineyard Resources (Resources) both of which further Vineyard USA's purpose. Each of the entities is a separate non-profit corporation. The consolidated financial statements include the accounts of the Vineyard USA, Worship, and Resources (collectively, the Organization). All significant intercompany balances and transactions have been eliminated in consolidation.

Note 2: Summary of Significant Accounting Policies

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Accounts Receivable

Receivables consist of donations from association churches intended for the current year but received after year end.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$15,294 for the year ended December 31, 2024.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash on deposit, and money market accounts. The carrying value of cash and cash equivalents approximates their fair value because of the short maturities of those financial instruments.

Certificates of Deposit

Certificates of deposit are valued at cost, which approximates fair value due to the short-term nature of these investments.

VINEYARD USA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 2: Summary of Significant Accounting Policies (continued)

Concentrations of Cash and Credit Risk

The Organization maintains its cash in bank accounts that, at times, may exceed federally insured limits. The Organization has not experienced losses in such accounts, and management believes the Organization is not exposed to any significant risk on its cash balances.

The Organization provides credit, in the normal course of business, to church plants and other organizations. Management considers these accounts to be fully collectible.

Inventory

Inventory consists of books and clothing, and is valued at the lesser of cost or net realizable value.

Investments

Investments in mutual funds are recorded at fair market value.

Masters

Album and songbook masters consist of the actual cost to create and produce the album or songbook. Masters are amortized over their expected useful lives from 24 or 60 months from the date of release. Purchased catalogs of music are amortized over their expected useful lives from 2 to 10 years.

Net Assets

The consolidated financial statements report amounts by classification of net assets as follows:

Net assets without donor restrictions are those currently available for purposes under the direction of the board, designated by the board and resources invested in property and equipment.

Net assets with donor restrictions are contributed with donor stipulations for specific operating purposes or programs.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, ranging from 5 to 35 years. The Organization reviews the carrying value of its property and equipment for impairment whenever events or changes in circumstances indicate the net carrying value may not be recoverable.

VINEYARD USA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 2: Summary of Significant Accounting Policies (continued)

Support, Revenue and Reclassifications

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the Organization. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. Donated property (including securities, real property and equipment) is recorded at estimated fair value on the date of the gift. The general policy of the Organization is to immediately liquidate any donated stocks and transfer the proceeds to general operating accounts.

The Organization receives gifts of cash and other assets as “support with donor restrictions” if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, 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.

Expenses

All expenses are stated on the accrual basis and presented on both a program area basis and a functional basis. 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 travel, utilities, office and professional fees, which are allocated based on the nature of the expense, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Evaluation of Subsequent Events

For purposes of measurement and disclosure in these consolidated financial statements, management has considered subsequent events through June 25, 2025, the date the consolidated financial statements were available to be issued.

VINEYARD USA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 3: Property and Equipment

During the year the Organization sold the land, building and furniture for a gain of \$523,468. Depreciation expense prior to the sale was \$3,572.

Note 4: Notes Receivable

The Organization lends money to association churches for the purpose of church planting. The notes bear no interest and repayment is based on a percentage of tithes and offerings received by the church plant.

Note 5: Album Masters

At December 31, 2024, album masters consisted of the following:

Album masters	\$ 784,064
Less accumulated amortization	<u>(720,799)</u>
	<u>\$ 63,265</u>

Amortization expense for the year was \$64,575.

The future estimated amortization expense related to album masters is as follows:

<u>Years Ending December 31,</u>	
2025	\$ 46,817
2026	11,053
2027	4,046
2028	<u>1,349</u>
	<u>\$ 63,265</u>

VINEYARD USA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 6: Net Assets

Board Designated

The board of the Organization has policies that affect the presentation of board designation on net assets. At December 31, 2024, the board designated net assets consist of the following:

Missions and missions contingency	\$ 345,047
Society of Vineyard Scholars	<u>18,541</u>
	<u>\$ 363,588</u>

With Donor Restrictions

Net assets with donor restrictions are subject to expenditure for a specified purpose. At December 31, 2024, net assets with donor restrictions related to the following purposes:

Well-Being of Pastors programs	\$ 1,181,316
Ukraine relief	33,386
Multiply	629,999
Associations	<u>9,469</u>
	<u>\$ 1,854,170</u>

Note 7: Availability and Liquidity

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, management considers all expenditures related to its ongoing activities of operating the Organization to be general expenditures. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization anticipates collecting sufficient contributions and program revenues to cover general expenditures not covered by donor-restricted resources.

VINEYARD USA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 7: Availability and Liquidity (continued)

At the balance sheet date, the following financial assets are available to meet general expenditures over the next twelve months:

Financial Assets:	
Cash and cash equivalents	\$ 1,630,478
Certificates of deposit	4,748,315
Accounts receivable	580,162
Investments in mutual funds	<u>2,001,782</u>
	8,960,737
Less unavailable for general expenditure within one year: Restricted by donor for purpose	<u>(1,854,170)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>7,106,567</u>

Note 8: Deferred Compensation Plans

The Organization has a 403(b) plan and deferred compensation plans (DCP) covering certain employees as defined by the plans.

403 (b) Plan

The Organization did not contribute to the 403(b) plan during the year ended December 31, 2024.

Deferred Compensation Plans

The DCP are non-qualified plans, and the associated liabilities are included in the Organization's consolidated statement of financial position as deferred compensation payable. The Organization has established a rabbi trust to finance obligations under the DCP with investments in mutual funds, which are also included in the consolidated statement of financial position. The Organization made no contribution to the DCP in the current year.

Note 9: Fair Value Measurements

The fair value of the investment in mutual funds is based on quoted net asset values of the shares held by the Organization at year-end.