

PARK COMMUNITY CHURCH

Consolidated Financial Statements
With Independent Auditor's Report

August 31, 2025 and 2024



PARK COMMUNITY CHURCH

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INDEPENDENT AUDITOR'S REPORT

Board of Elders
Park Community Church
Chicago, Illinois

Opinion

We have audited the accompanying consolidated financial statements of Park Community Church (a nonprofit organization), which comprise the consolidated statements of financial position as of August 31, 2025 and 2024, 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 financial position of Park Community Church as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Park Community 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 consolidated 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 Park Community 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
Park Community Church
Chicago, Illinois

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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 Park Community 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 Park Community 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.



Naperville, Illinois
November 24, 2025

PARK COMMUNITY CHURCH

Consolidated Statements of Financial Position

	August 31,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 9,701,576	\$ 9,168,280
Restricted cash	199,200	199,200
Other assets	36,108	30,730
Operating lease, right of use assets	106,638	141,810
Property and equipment, net	15,465,637	14,800,371
Total Assets	\$ 25,509,159	\$ 24,340,391
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 67,211	\$ 126,278
Accrued expenses	90,398	86,023
Performance obligation liabilities	185,116	64,027
Operating lease obligations	106,638	141,810
Total liabilities	449,363	418,138
Net Assets:		
Net assets without donor restrictions		
Undesignated	24,650,192	22,673,675
Board designated	199,200	199,200
	24,849,392	22,872,875
Net assets with donor restrictions	210,404	1,049,378
Total net assets	25,059,796	23,922,253
Total Liabilities and Net Assets	\$ 25,509,159	\$ 24,340,391

See notes to consolidated financial statements

PARK COMMUNITY CHURCH

Consolidated Statements of Activities

	Year Ended August 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 9,583,397	\$ 275,446	\$ 9,858,843	\$ 8,733,481	\$ 1,139,092	\$ 9,872,573
Student tuition and fees, net	186,195	-	186,195	32,268	-	32,268
Investment income	128,461	-	128,461	179,437	-	179,437
Loss on disposal	-	-	-	(1,145)	-	(1,145)
Employee retention credit income	863,673	-	863,673	-	-	-
Miscellaneous income	346,108	-	346,108	242,585	-	242,585
Total Support and Revenue	11,107,834	275,446	11,383,280	9,186,626	1,139,092	10,325,718
RECLASSIFICATIONS:						
Net assets released from restrictions:						
Satisfaction of program restrictions	1,114,420	(1,114,420)	-	96,424	(96,424)	-
EXPENSES:						
Program services	7,857,835	-	7,857,835	7,151,886	-	7,151,886
Supporting activities:						
Management and general	2,250,334	-	2,250,334	2,048,175	-	2,048,175
Fundraising	137,568	-	137,568	51,785	-	51,785
Total Expenses	10,245,737	-	10,245,737	9,251,846	-	9,251,846
Change in Net Assets	1,976,517	(838,974)	1,137,543	31,204	1,042,668	1,073,872
Net Assets, Beginning of Year	22,872,875	1,049,378	23,922,253	22,841,671	6,710	22,848,381
Net Assets, End of Year	\$ 24,849,392	\$ 210,404	\$ 25,059,796	\$ 22,872,875	\$ 1,049,378	\$ 23,922,253

See notes to consolidated financial statements

PARK COMMUNITY CHURCH

Consolidated Statement of Functional Expenses

Year Ended August 31, 2025

	Program Services		Management and General	Fundraising	Total
	Church	Chicago Christian Academy			
Salaries and benefits	\$ 3,668,726	\$ 366,972	\$ 1,425,458	\$ 94,101	\$ 5,555,257
Payroll taxes	116,233	25,565	42,917	3,518	188,233
Depreciation	499,152	-	55,461	-	554,613
Support to other organizations	1,310,076	-	11,305	-	1,321,381
Utilities and maintenance	266,659	22,113	35,174	-	323,946
Rent	748,720	18,414	107,774	8,137	883,045
Travel	209,136	9,249	4,585	427	223,397
Interest	-	-	-	-	-
Meals	262,323	12,365	24,287	7,907	306,882
Supplies	151,500	10,192	77,192	2,018	240,902
Bank and merchant fees	7,530	-	143,819	-	151,349
Professional and consulting fees	14,527	4,574	116,227	2,854	138,182
Education and training	54,931	1,513	8,649	-	65,093
Printing and communication	25,615	-	1,400	-	27,015
Insurance	-	-	64,859	-	64,859
Marketing	-	-	9,369	10,307	19,676
Other	36,148	15,602	121,858	8,299	181,907
Total Expenses	<u>\$ 7,371,276</u>	<u>\$ 486,559</u>	<u>\$ 2,250,334</u>	<u>\$ 137,568</u>	<u>\$ 10,245,737</u>

See notes to consolidated financial statements

PARK COMMUNITY CHURCH

Consolidated Statement of Functional Expenses

Year Ended August 31, 2024

	Program Services		Management and General	Fundraising	Total
	Church	Chicago Christian Academy			
Salaries and benefits	\$ 3,681,471	\$ 66,015	\$ 1,257,055	\$ 19,334	\$ 5,023,875
Payroll taxes	133,558	4,273	41,215	649	179,695
Depreciation	490,039	-	54,449	-	544,488
Support to other organizations	1,141,859	-	6,510	-	1,148,369
Utilities and maintenance	186,536	-	49,412	-	235,948
Rent	631,914	-	110,061	3,957	745,932
Travel	172,022	6,423	4,163	228	182,836
Interest	48,780	-	5,420	-	54,200
Meals	222,047	-	22,370	7,311	251,728
Supplies	190,202	8,819	113,872	2,787	315,680
Bank and merchant fees	7,223	-	138,679	-	145,902
Professional and consulting fees	34,759	7,792	144,033	4,640	191,224
Education and training	69,331	234	15,550	-	85,115
Printing and communication	17,728	-	371	-	18,099
Insurance	-	-	66,116	-	66,116
Marketing	-	-	2,505	12	2,517
Other	30,861	-	16,394	12,867	60,122
Total Expenses	<u>\$ 7,058,330</u>	<u>\$ 93,556</u>	<u>\$ 2,048,175</u>	<u>\$ 51,785</u>	<u>\$ 9,251,846</u>

See notes to consolidated financial statements

PARK COMMUNITY CHURCH

Consolidated Statements of Cash Flows

	Year Ended August 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,137,543	\$ 1,073,872
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	554,613	544,488
Loss on disposal of property and equipment	-	1,145
Changes in:		
Other assets	(5,378)	15,975
Accounts payable	(59,067)	88,624
Accrued expenses	4,375	(47,083)
Performance obligation liabilities	121,089	64,027
Net Cash Provided by Operating Activities	1,753,175	1,741,048
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,219,879)	(146,753)
Net Cash Used by Investing Activities	(1,219,879)	(146,753)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	-	(1,590,980)
Net Cash Used by Financing Activities	-	(1,590,980)
Change in Cash and Cash Equivalents and Restricted Cash	533,296	3,315
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	9,367,480	9,364,165
Cash and Cash Equivalents and Restricted Cash, End of Year	\$ 9,900,776	\$ 9,367,480
Cash and Cash Equivalents and Restricted Cash		
Cash and cash equivalents	\$ 9,701,576	\$ 9,168,280
Restricted cash	199,200	199,200
Total Cash and Cash Equivalents and Restricted Cash	\$ 9,900,776	\$ 9,367,480

See notes to consolidated financial statements

PARK COMMUNITY CHURCH

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

1. NATURE OF ORGANIZATION:

Park Community Church (Park) is a non-denominational, family of interdependent churches located in the heart of the city of Chicago. It is organized under the laws of the State of Illinois as a religious corporation and operates as a charitable religious organization, as defined within Section 501(c)(3) of the Internal Revenue Code (the Code). Accordingly, it is exempt from federal and state income taxes, and all contributions by the public are deductible for income tax purposes. Park is not a private foundation under section 509(a)(1) of the Code. Park's support comes primarily from donor contributions.

Park was founded in 1987 with an initial congregation of about fifty people who met at the Francis Parker School in the Lincoln Park neighborhood of Chicago. They envisioned a vibrant church that would engage the Lincoln Park neighborhood and surrounding urban community with the life-transforming truth of the Gospel. Eventually, as Park began to grow, it sought to expand the reach of the gospel into other neighborhoods. It believed that strong, neighborhood-based churches were the most effective means of reaching the city. To that end, Park purchased a building and opened a new location in the summer of 2008 at 1001 N. Crosby Street in the Near North neighborhood. Over the next five years, Park continued to expand as one church in many locations. Today, Park is a family of 13 interdependent churches ministering to approximately 3,000 people across many dynamic neighborhoods, resulting from its belief that God has called us to play a role in the spiritual renewal of Chicago. Park prayerfully seeks to invest in church planting, partnering with other churches and organizations to live out its vision to proclaim the gospel of Jesus Christ to all people until there is no place left.

In June 2002, Park formed a corporation called Hope for the City, whose name was subsequently changed in September of 2009 to Renew Chicago. Effective April 15, 2018, Renew Chicago was established as a 501(c)(3) corporation and currently operates as a closely held entity with a separate board appointed by Park and one employee. The majority of Renew's activities are conducted as a ministry of Park Community Church and are funded through Park's general fund and individual contributions. Any contributions specifically designated for the ministry of Renew are recorded as Renew general fund contributions.

In October 2020, Park established Mission: All which is organized under the laws of the State of Illinois as a religious corporation and operates as a charitable religious organization, as defined within Section 501(c)(3) of the Internal Revenue Code. Controlled by Park through common board members and voting interests, Mission:All's mission is to identify, equip, send out, and support members of the body of Christ to plant new gospel-centered churches and ministries reaching under-served and under-resourced neighborhoods across the city of Chicago with the good news of the kingdom in obedience to Christ's commission and for the sake of his glory. Mission:All ministry activities are conducted as a ministry of Park Community Church and are largely funded through Park's general fund. Contributions specifically designated for the ministry of Mission:All are recorded as Mission:All general fund contributions.

PARK COMMUNITY CHURCH

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

1. NATURE OF ORGANIZATION, continued:

In May 2023, Park established Chicago Christian Academy (CCA) which was established as a 501(c)(3) corporation organized and operated exclusively for educational purposes. CCA operates as a closely held entity with a separate board appointed by Park. CCA's mission is to assist parents in discipling their children through the following: providing academic instruction that is distinctly Christian and inspires a wonder at God and a love of His creation; equipping a generation of critical thinkers ready to engage the world using the proven classical education curriculum and method; and fostering a diverse fellowship of support and love through intentional and robust family engagement. Contributions specifically designated for the ministry of CCA are recorded as CCA general fund contributions.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The consolidated financial statements been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

USE OF ESTIMATES

The preparation of U.S. GAAP consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to depreciable lives of property and equipment, estimates involved in accounting for leases, and allocation of expenses on a

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Park Community Church and its controlled related parties Renew Chicago, Mission: All, and Chicago Christian Academy (collectively, referred to as Park). All material related party balances and transactions have been eliminated in consolidation.

PARK COMMUNITY CHURCH

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INCOME TAXES

Park is exempt from taxes on income other than unrelated business income, if any. Park utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of August 31, 2025 and 2024, Park has no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents include checking and money market accounts. As of August 31, 2025 and 2024, Park's cash balances exceeded federally insured limits by \$5,144,626 and \$5,111,925, respectively. Park maintains restricted cash balances that are board designated for specific use (Note 7).

OTHER ASSETS

Other assets consist of prepaid expenses and accounts receivable.

OPERATING LEASE-RIGHT OF USE ASSET AND OBLIGATION:

Park leases office space. Park determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, Park uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that Park will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

PARK COMMUNITY CHURCH

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT

Items over \$2,500 are capitalized at cost or, if the asset was contributed, at fair market value at the date of the contribution. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, ranging from three to thirty-five years. Repairs and maintenance are expensed as incurred. The carrying values of land, buildings, furniture and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended August 31, 2025 or 2024.

Useful lives for property and equipment are as follows:

Land	Not depreciated
Buildings	7 - 40 years
Furniture and fixtures	3 - 10 years
Equipment	3 - 10 years

CLASSES OF NET ASSETS

Net assets are classified in the consolidated financial statements as follows:

Net assets without donor restrictions are those currently available for ministry purposes at the discretion of the board, those designated by the board for specific use and those resources invested in land, buildings and equipment.

Net assets with donor restrictions are those contributions stipulated by donors for specific operating purposes or for acquisition of property and equipment or those with timing restrictions.

PARK COMMUNITY CHURCH

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE

Contributions are recorded when cash is received, unconditional promises are made or when ownership of donated assets is transferred. All contributions are considered available for use without donor restrictions, unless specifically restricted by the donor or subject to legal restrictions. Generally, gifts of cash and other assets are reported as donor restricted support if they are received with donor-imposed restrictions that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Bequests are recorded as support at the time Park has an established right to the bequest and the proceeds are measurable. Donated goods are recorded at fair market value at the time of donation. Gifts of land, buildings and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions.

Investment income is recorded at a point in time when earned. Miscellaneous income, including fees, book, and food sales, are recorded when earned at the point of sale. Sales are reported net of cost of goods sold. Employee retention credit income is recognized when all recognition barriers have been met, which is when received.

Park recognizes student tuition and fees within the fiscal year in which the educational services are provided and as performance obligations are met. Discounts, totaling \$212,930 and \$34,357 for the years ended August 31, 2025 and 2024, respectively, in the form of scholarships and grants, are reported as a reduction of tuition revenue. Performance obligation liabilities represent advance tuition payments made by students and families.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy-related costs, which are allocated on a square footage basis, as well as salaries and benefits, and certain office-related expenses, which are allocated on the basis of estimates of time and effort. Park did not incur any joint costs during the years ended August 31, 2025 or 2024.

ADVERTISING

Park uses advertising to promote its school to prospective students families. The cost of advertising is expensed as incurred. During the years ended August 31, 2025 and 2024, advertising costs totaled \$19,676 and \$2,517, respectively and is included in marketing in the consolidated statements of functional expenses.

PARK COMMUNITY CHURCH

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

3. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	August 31,	
	2025	2024
Land	\$ 6,400,976	\$ 6,022,974
Building	16,099,759	15,338,557
Furniture and fixtures	998,291	992,328
Equipment	1,914,947	1,921,299
	<u>25,413,973</u>	<u>24,275,158</u>
Less accumulated depreciation	<u>(9,948,336)</u>	<u>(9,474,787)</u>
	<u>\$ 15,465,637</u>	<u>\$ 14,800,371</u>

4. RETIREMENT PLAN:

Park provides a 403(b) retirement plan that covers all full-time employees with enrollment, matching and vesting beginning immediately. Park will match 100% of the first 5% of contributions made by full-time employees (maximum benefit of 5% of salary). For the years ended August 31, 2025 and 2024, Park made contributions to the plan of \$166,127 and \$120,587, respectively.

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are held for the following purposes:

	August 31,	
	2025	2024
Parsonage	\$ -	\$ 1,000,000
Renew Chicago - Triathlon	161,049	-
Missions	49,355	49,378
	<u>\$ 210,404</u>	<u>\$ 1,049,378</u>

PARK COMMUNITY CHURCH

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

6. BOARD DESIGNATED NET ASSETS:

In November 2015, Park launched a generosity initiative designed to grow its membership in stewardship and generosity. As part of that initiative, the Elders voted to designate 10% of all general-fund contributions received from that initiative in 2015 to external-facing ministries. The board designated funds are held for the following:

	August 31,	
	2025	2024
Park 100	\$ 199,200	\$ 199,200

7. OPERATING LEASE-RIGHT OF USE ASSET AND OBLIGATION:

Park leases space for services under a noncancelable operating lease expiring in fiscal year 2028. The discount rate represents the incremental borrowing rate if Park was to take on additional debt using a period comparable with that of the individual lease term on the inception date of the lease. The lease requires monthly payments of \$3,300. Total expenses incurred under the operating lease for the years ended August 31, 2025 and 2024, was \$39,600 and \$38,997, respectively.

	August 31,	
	2025	2024
Operating lease right-of-use asset	\$ 106,638	\$ 141,810
Operating lease obligations	\$ 106,638	\$ 141,810
Operating lease costs	\$ 39,600	\$ 38,997
Weighted-average discount rate	3.52%	3.52%
Weighted-average remaining lease term	2.83	3.83

PARK COMMUNITY CHURCH

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

7. OPERATING LEASE-RIGHT OF USE ASSET AND OBLIGATION, continued:

Future minimum lease payments required under the operating lease that has an initial or remaining non-cancelable lease term in excess of one year as follows:

<u>August 31, 2025</u>	
2026	\$ 39,600
2027	39,600
2028	<u>33,000</u>
	112,200
Less imputed interest	<u>(5,562)</u>
	<u><u>\$ 106,638</u></u>

8. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects Park's financial assets as of August 31, 2025 and 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year because of contractual or donor-imposed restrictions or because the board has set aside funds for specific purposes. These board designations could be drawn upon if the board approves such action.

	<u>August 31,</u>	
	<u>2025</u>	<u>2024</u>
Total assets at year end	\$ 25,509,159	\$ 24,340,391
Less non-financial assets:		
Other assets	(36,108)	(30,730)
Operating lease, right of use assets	(106,638)	(141,810)
Property and equipment, net	<u>(15,465,637)</u>	<u>(14,800,371)</u>
Financial assets, at year-end	<u>9,900,776</u>	<u>9,367,480</u>
Less those unavailable for general expenditures within one year, due to:		
Board designated amounts	(199,200)	(199,200)
Net assets with donor restrictions	<u>(210,404)</u>	<u>(1,049,378)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 9,491,172</u></u>	<u><u>\$ 8,118,902</u></u>

Park structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of Park's liquidity management, it has established guidelines for making decisions related to managing short term cash reserves in a prudent manner.

PARK COMMUNITY CHURCH

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

9. REVENUE FROM CONTRACTS WITH CUSTOMERS:

Park recognizes revenue over time for its tuition and fees and at a point in time for educational services. As of August 31, 2025 and 2024, there are performance obligations to be satisfied of \$185,116 and \$64,027, respectively. At August 31, 2025, management expects to recognize \$185,116 as revenue in 2026. Performance obligations of \$64,027 at August 31, 2024, were recognized in 2025. These performance obligations are based upon the completion of educational services.

	August 31,	
	2025	2024
Contract liabilities		
Performance obligation liabilities, beginning of year	\$ 64,027	\$ -
Performance obligation liabilities, end of year	\$ 185,116	\$ 64,027

10. EMPLOYEE RETENTION CREDIT:

During the year ended August 31, 2025, Park received a tax credit of \$783,359 through the Employee Retention Credit program offered through the U.S. Coronavirus Aid, Relief, and Economic Security (CARES) Act. The credit is claimed in relation to qualified wages owed for the years ended August 31, 2021 and 2020. The full amount of the credit was recognized as Employee Retention Credit income on the consolidated statement of activities for the year ended August 31, 2025. Laws and regulations concerning government programs, including the ERC, established by the CARES Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge Park's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon Park.

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 24, 2025, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been