

**RIVERSIDE COVENANT CHURCH INC**  
**REVIEWED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

November 20, 2015

Everette Mills, Treasurer  
Riverside Covenant Church Inc  
West Lafayette, IN

We have reviewed the accompanying financial statements of Riverside Covenant Church Inc (a non-profit organization), which comprise the statement of financial position - modified cash basis as of June 30, 2015, and the related statement of activities - modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes 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.

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting, as described in Note 1.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 1. The information included in the accompanying schedules is presented only for purposes of additional analysis. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements. This information is presented using the modified cash basis of accounting, and we are not aware of any material modifications that should be made thereto.

Heman Lawson Hawks LLP

**Riverside Covenant Church Inc**  
**Statement of Financial Position - Modified Cash Basis**  
**June 30, 2015**

**ASSETS**

	<u>2015</u>
<b>CURRENT ASSETS</b>	
Cash	\$ <u>157,314</u>
<b>Total Current Assets</b>	157,314
<b>PROPERTY AND EQUIPMENT</b>	
Land	507,740
Building	<u>595,350</u>
<b>Net Property and Equipment</b>	<u>1,103,090</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,260,404</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>	
Payroll liabilities	\$ 2,796
Security deposit	300
Current portion of debt	<u>32,745</u>
<b>Total Current Liabilities</b>	35,841
<b>LONG-TERM LIABILITIES</b>	
Note payable - National Covenant	192,398
Note payable - NCP house	198,013
Note payable - NCP land	417,763
Current portion of debt	<u>(32,745)</u>
<b>Total Long-Term Liabilities</b>	<u>775,429</u>
<b>Total Liabilities</b>	811,270
<b>NET ASSETS</b>	
Unrestricted	409,098
Temporarily restricted	<u>40,036</u>
<b>Total Net Assets</b>	<u>449,134</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,260,404</u>

See accompanying notes and accountants' review report.

**Riverside Covenant Church Inc**  
**Statement of Activities - Modified Cash Basis**  
**For the Year Ended June 30, 2015**

	<u>2015</u>
<b>UNRESTRICTED REVENUES</b>	
Loose	\$ 3,857
Checks	346,321
Interest income	1,225
Building use	150
Coffee/Donut donations	137
Online donations	69,334
Rent income - apartment	8,250
Rent income - farm	2,340
Ministries income	19,971
Miscellaneous income	<u>26,052</u>
<b>Total Unrestricted Revenues</b>	<b>477,637</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	
Net assets released by payment	<u>62,364</u>
<b>Total Revenues and Net Assets Released from Restrictions</b>	<b>540,001</b>
<b>OPERATING EXPENSES</b>	
<b>Program Expenses</b>	
Children's ministry	26,715
Youth ministry	59,640
Adult formation	3,696
Small groups	1,082
Women's ministry	13,284
Men's ministry	2,313
Worship ministry	8,861
Outreach/evangelism	3,704
Missions	95,661
Benevolence	20,422
Prayer ministry	812
General community	6,924
Nursery	342
Server ministry	72
Stephen Ministry	2,789
Leadership development	1,711
Rental	<u>582</u>
<b>Total Program Expenses</b>	<b>248,610</b>
<b>Managerial Expenses</b>	
Supplies	1,339
Postage	710
Copy expenses	1,751
Dues & subscriptions	1,479
Professional fees	20,456
Building insurance	5,824
Vehicle insurance	707
Workman's comp insurance	687
Building maintenance & repair	2,389
Small equipment & furniture	6,315
Equipment rental	191
Utilities	12,490
Custodial service & supplies	9,691
Lot maintenance	5,600
Vehicle expenses	470

See accompanying notes and accountants' review report.

**Riverside Covenant Church Inc**  
**Statement of Activities - Modified Cash Basis**  
**For the Year Ended June 30, 2015**

	<u>2015</u>
Salaries	122,207
Health benefits/insurance	13,473
Continuing education	4,540
Retirement benefits	12,815
Life & Disability insurance	1,803
Payroll taxes	17,442
Interest expense	35,851
Miscellaneous	<u>1,299</u>
<b>Total Managerial Expenses</b>	<u>279,529</u>
<b>Total Operating Expenses</b>	<u>528,139</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	
Restricted donations	42,850
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	
Net assets released by payment	<u>(62,364)</u>
<b>Increase (decrease) in Temporarily Restricted Net Assets</b>	(19,514)
<b>Increase(decrease) in Net Assets</b>	(7,652)
<b>Beginning Net Assets</b>	<u>456,783</u>
<b>Ending Net Assets</b>	<u><u>\$ 449,131</u></u>

See accompanying notes and accountants' review report.

# Riverside Covenant Church Inc

## Notes to Financial Statements

### June 30, 2015

#### **1. Accounting Policies**

##### **Basis of Accounting**

The Organization uses fund accounting practices common to the not-for-profit sector. At June 30, 2015 all activity is accounted for in the Current Unrestricted Fund. Income and expenses are recognized on the modified cash method of accounting. Contributions are recorded when received and expenses are generally recorded when paid. The church has chosen not to capitalize & depreciate fixed assets. Equipment and vehicles are expensed when purchased. The land and building are disclosed on the Statement of Financial Position at their purchase price.

##### **Nature of Operations**

The mission of the Riverside Covenant Church is to glorify God by becoming disciples of Jesus Christ who share life in authentic community and transform the world through God's love, truth and power.

##### **Cash and Cash Equivalents**

The Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

##### **Concentration of Credit Risk**

The Organization maintains cash at a financial institution located in Indiana. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no uninsured cash balances at June 30, 2015 .

##### **Income Taxes**

Riverside Covenant Church is a not-for-profit organization formed under the laws of the State of Indiana and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been provided in these statements.

##### **Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of management's estimates. Due to their prospective nature, actual results could differ from those estimates.

##### **Subsequent Events**

The date through which subsequent events were evaluated is November 20, 2015. There were no material items that would have an effect on the financial statements.

**Riverside Covenant Church Inc**  
**Notes to Financial Statements**  
**June 30, 2015**

**2. Financial Arrangements**

Management has indicated that financial arrangements at June 30, 2015 include the following:

	<u>2015</u>
Installment loan, National Covenant Properties, variable interest, payable in monthly installments of \$2548.00 to April 2026. Secured by real estate.	\$ 192,398
Installment loan, National Covenant Properties, variable interest, payable in monthly installments of \$2100.00 to April 2021. Secured by real estate.	198,013
Installment loan, National Covenant Properties, variable interest, payable in monthly installments of \$725.00 to March 2021. Secured by real estate.	417,763
Total debt	808,174
Current portion of debt	(32,745)
Long-term debt	\$ 775,429

Maturities of long-term debt are as follows for the years ending June 30:

2017	\$ 35,468
2018	36,913
2019	38,496
2020	39,982
2021 and thereafter	624,570
	\$ 775,429

**Riverside Covenant Church Inc**  
**Schedules to Statement of Activities - Modified Cash Basis**  
**For the Year Ended June 30, 2015**

	<u>2015</u>
<b>CASH</b>	
Land & building savings acct	\$ 67,979
Lafayette Bank & Trust checking	16,558
Petty cash - office	90
Church demand investment acct	64,004
Building church demand acct	<u>8,683</u>
<b>Total Cash</b>	<b><u>\$ 157,314</u></b>
<b>CHILDREN'S MINISTRY</b>	
Supplies	\$ 895
Curriculum/resources	1,437
Volunteer appreciation	781
Snacks/Food	75
Promisemart store	314
VBS	2,548
Gifts	1,499
Background searches	39
Special events	169
Childcare	49
Salaries	<u>18,909</u>
<b>Total children's ministry</b>	<b><u>\$ 26,715</u></b>
<b>YOUTH MINISTRY</b>	
Curriculum/resources	\$ 43
Snacks/Food	3,422
Gifts	161
Transportation	890
Special events	11,579
Salaries	43,465
Miscellaneous	<u>80</u>
<b>Total youth ministry</b>	<b><u>\$ 59,640</u></b>
<b>ADULT FORMATION</b>	
Supplies	\$ 450
Snacks/Food	515
Childcare	553
Conferences/retreats	<u>2,178</u>
<b>Total adult formation</b>	<b><u>\$ 3,696</u></b>
<b>SMALL GROUPS</b>	
Curriculum/resources	\$ 679
Snacks/Food	348
Childcare	<u>55</u>
<b>Total small groups</b>	<b><u>\$ 1,082</u></b>
<b>WOMEN'S MINISTRY</b>	
Curriculum/resources	\$ 790
Background searches	78
Special events	373
Women's luncheons	170
Childcare	1,145
Conferences/retreats	<u>5,326</u>

See accompanying notes and accountants' review report.

**Riverside Covenant Church Inc**  
**Schedules to Statement of Activities - Modified Cash Basis**  
**For the Year Ended June 30, 2015**

	<u>2015</u>
Salaries	5,382
Miscellaneous	<u>20</u>
<b>Total women's ministry</b>	<b><u>\$ 13,284</u></b>
<b>MEN'S MINISTRY</b>	
Curriculum/resources	\$ 170
Special events	400
Conferences/retreats	1,242
Men's breakfasts	<u>501</u>
<b>Total men's ministry</b>	<b><u>\$ 2,313</u></b>
<b>WORSHIP MINISTRY</b>	
Supplies	\$ 1,068
Volunteer appreciation	56
Copyright license renewal	1,183
Decorations	446
Sermon illustrations	191
Bulletins	1,396
Salaries	3,897
Miscellaneous	<u>624</u>
<b>Total worship ministry</b>	<b><u>\$ 8,861</u></b>
<b>OUTREACH/EVANGELISM</b>	
Supplies	\$ 272
Postage	253
Gifts	82
Special events	1,666
Meals/Food donated to others	1,365
Publicity	<u>66</u>
<b>Total outreach</b>	<b><u>\$ 3,704</u></b>
<b>MISSIONS</b>	
Evangelical Covenant National	\$ 28,397
Central conference	16,201
Missionary support	24,381
Mission trips	25,164
Miscellaneous	<u>1,518</u>
<b>Total missions</b>	<b><u>\$ 95,661</u></b>
<b>BENEVOLENCE</b>	
General benevolence	<u>\$ 20,422</u>
<b>Total benevolence</b>	<b><u>\$ 20,422</u></b>
<b>PRAYER MINISTRY</b>	
Curriculum/resources	\$ 290
Snacks/Food	392
Special events	100
Childcare	<u>30</u>
<b>Total prayer ministry</b>	<b><u>\$ 812</u></b>

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**Riverside Covenant Church Inc**  
**Schedules to Statement of Activities - Modified Cash Basis**  
**For the Year Ended June 30, 2015**

<b>GENERAL COMMUNITY</b>	
Snacks/Food	\$ 5,853
Gifts	369
Special events	531
Childcare	<u>171</u>
<b>Total general community</b>	<b><u>\$ 6,924</u></b>
<b>NURSERY</b>	
Supplies	\$ 101
Gifts	124
Background searches	<u>117</u>
<b>Total nursery</b>	<b><u>\$ 342</u></b>
<b>SERVER MINISTRY</b>	
Supplies	\$ 32
Gifts	25
Childcare	<u>15</u>
<b>Total server ministry</b>	<b><u>\$ 72</u></b>
<b>STEPHEN MINISTRY</b>	
Supplies	\$ 155
Snacks/Food	46
Conferences/retreats	<u>2,588</u>
<b>Total Stephen Ministry</b>	<b><u>\$ 2,789</u></b>
<b>LEADERSHIP DEVELOPMENT</b>	
Professional fees	\$ 225
Travel expense	416
Discretionary	1,051
Miscellaneous	<u>19</u>
<b>Total leadership development</b>	<b><u>\$ 1,711</u></b>
<b>RENTAL</b>	
Utilities	<u>\$ 582</u>
<b>Total rental</b>	<b><u>\$ 582</u></b>

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