



SAINT SIMONS COMMUNITY CHURCH, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014





REPORT OF INDEPENDENT AUDITORS

The Elder Board
Saint Simons Community Church, Inc.
Saint Simons Island, Georgia

We have audited the accompanying financial statements of Saint Simons Community Church, Inc. ("the Church"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Church's preparation and fair presentation of the 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 Church'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Saint Simons Community Church, Inc. as of December 31, 2015 and 2014, 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.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
August 25, 2016

SAINT SIMONS COMMUNITY CHURCH, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2015	2014
ASSETS		
Cash and cash equivalents	\$ 868,481	\$ 384,107
Prepaid expenses	27,282	32,465
Property and equipment, net	13,135,123	13,902,718
Total assets	\$ 14,030,886	\$ 14,319,290

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 56,623	\$ 37,097
Note payable	—	1,200,000

Total liabilities	56,623	1,237,097
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NET ASSETS

Unrestricted	13,851,987	12,978,451
Temporarily restricted	122,276	103,742

Total net assets	13,974,263	13,082,193
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Total liabilities and net assets	\$ 14,030,886	\$ 14,319,290
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SAINT SIMONS COMMUNITY CHURCH, INC.
STATEMENTS OF ACTIVITIES

	For The Year Ended December 31, 2015			For The Year Ended December 31, 2014
	Unrestricted	Temporarily Restricted	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Unrestricted contributions	\$ 3,366,455	\$ —	\$ 3,366,455	\$ 3,057,936
Temporarily restricted contributions	—	483,068	483,068	482,368
Auxiliary and other activities	146,306	—	146,306	146,479
Gain/(loss) on sale of property	26,795	—	26,795	(83,499)
Net assets released from restrictions	<u>464,534</u>	<u>(464,534)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>4,004,090</u>	<u>18,534</u>	<u>4,022,624</u>	<u>3,603,284</u>
Expenses				
Program activities	2,863,020	—	2,863,020	2,761,475
General and administrative	<u>267,534</u>	<u>—</u>	<u>267,534</u>	<u>228,126</u>
Total expenses	<u>3,130,554</u>	<u>—</u>	<u>3,130,554</u>	<u>2,989,601</u>
Change in unrestricted net assets	873,536	—	873,536	569,090
Change in temporarily restricted net assets	<u>—</u>	<u>18,534</u>	<u>18,534</u>	<u>44,593</u>
CHANGE IN NET ASSETS	873,536	18,534	892,070	613,683
NET ASSETS - Beginning of year	<u>12,978,451</u>	<u>103,742</u>	<u>13,082,193</u>	<u>12,468,510</u>
NET ASSETS - End of year	<u>\$ 13,851,987</u>	<u>\$ 122,276</u>	<u>\$ 13,974,263</u>	<u>\$ 13,082,193</u>

The Accompanying Notes are an Integral
Part of These Financial Statements

SAINT SIMONS COMMUNITY CHURCH, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2015	2014
OPERATING CASH FLOWS		
Cash received from donors	\$ 3,635,275	\$ 3,331,862
Cash from auxiliary and other activities	146,306	146,479
Cash paid for operating activities and costs	(2,678,276)	(2,515,384)
Interest paid	(20,429)	(69,306)
Net operating cash flows	1,082,876	893,651
INVESTING CASH FLOWS		
Purchases and improvements to property and equipment	(42,045)	(46,723)
Proceeds from sale of property	429,295	149,834
Net investing cash flows	387,250	103,111
FINANCING CASH FLOWS		
Repayments	(1,200,000)	(1,250,000)
Proceeds from contributions restricted for long-term purposes	214,248	208,442
Net financing cash flows	(985,752)	(1,041,558)
NET CHANGE IN CASH AND CASH EQUIVALENTS	484,374	(44,796)
CASH AND CASH EQUIVALENTS - Beginning of year	384,107	428,903
CASH AND CASH EQUIVALENTS - End of year	\$ 868,481	\$ 384,107
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	\$ 892,070	\$ 613,683
Adjustments to reconcile change in net assets to net operating cash flows		
Depreciation	407,140	433,163
(Gain) loss on sale of property	(26,795)	83,499
Contributions restricted for long-term purposes	(214,248)	(208,442)
Change in prepaid expenses	5,183	2,260
Change in accounts payable and accrued expenses	19,526	(30,512)
Net operating cash flows	\$ 1,082,876	\$ 893,651

The Accompanying Notes are an Integral
Part of These Financial Statements

SAINT SIMONS COMMUNITY CHURCH, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Saint Simons Community Church, Inc. (“the Church”) is a Georgia not-for-profit corporation. The purpose of the Church is to glorify God by the building up of believers and presenting the gospel of Jesus Christ to unbelievers in order that they too may be captured by Christ. The Church seeks to provide a place of worship in acknowledgement that Jesus Christ is Lord and Savior; to affirm God’s love through worship, communion, spiritual growth, discipleship, outreach, and fellowship; and to adhere to the belief that the entire Holy Bible is the divine inspired Word of God which is the authority in all matters of faith, doctrine, and Christian living.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Restricted and unrestricted revenue and support

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as “net assets released from restrictions.”

Cash and cash equivalents

The Church considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

Property and equipment

Property and equipment is stated at original cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is provided using the straight-line method over the expected useful lives of the related assets.

Income taxes

The Church is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Georgia law. The Church is further classified as a public charity and not a private foundation for federal tax purposes. The Church has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements. The Church has not taken any material uncertain tax positions for which the associated tax benefits may not be recognized under accounting principles generally accepted in the United States of America.

Use of estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those related to the estimated useful lives of property and equipment. Actual results could differ from the estimates.

Subsequent events

The Church has evaluated for possible financial statement reporting and disclosure subsequent events through August 25, 2016, the date as of which the financial statements were available to be issued.

NOTE C – CONCENTRATIONS

The Church maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Church has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

SAINT SIMONS COMMUNITY CHURCH, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Category	December 31,	
	2015	2014
Land	\$ 4,345,000	\$ 4,345,000
Buildings and building improvements	11,605,907	12,305,907
Furniture, fixtures, and equipment	318,513	306,290
Vehicles	89,934	54,000
Construction in progress	—	6,112
Total property and equipment	16,359,354	17,017,309
Less: Accumulated depreciation	(3,224,231)	(3,114,591)
Net property and equipment	\$ 13,135,123	\$ 13,902,718

Depreciation expense amounted to \$407,140 and \$433,163 during 2015 and 2014, respectively.

NOTE E – NOTE PAYABLE

The Church's note payable consisted of a note payable to a bank requiring monthly payments of interest at 3.95% per annum and annual principal reductions of \$641,202. The note was secured by certain real property and due in September 2016. The Church paid the note in full during 2015.

Interest expense amounted to approximately \$20,000 and \$69,000 during 2015 and 2014, respectively.

NOTE F – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net asset activity during 2015 was as follows:

	Balance January 1	Contributions	Releases	Balance December 31
Benevolence	\$ 65,725	\$ 141,072	\$ (131,467)	\$ 75,330
Missions and other	38,017	127,748	(118,819)	46,946
Building fund and debt reduction	—	214,248	(214,248)	—
Total	\$ 103,742	\$ 483,068	\$ (464,534)	\$ 122,276

Temporarily restricted net asset activity during 2014 was as follows:

	Balance January 1	Contributions	Releases	Balance December 31
Benevolence	\$ 20,765	\$ 186,257	\$ (141,297)	\$ 65,725
Missions and other	38,384	87,669	(88,036)	38,017
Building fund and debt reduction	—	208,442	(208,442)	—
Total	\$ 59,149	\$ 482,368	\$ (437,775)	\$ 103,742

SAINT SIMONS COMMUNITY CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE G – RETIREMENT PLAN

The Church maintains a 401(k) retirement plan (“the Plan”) in which employees are eligible to participate upon meeting the eligibility requirements as described in the Plan document. Eligible employees may make tax-deferred contributions to the Plan. The Plan allows for the Church to make discretionary contributions. The Church made contributions to the Plan of approximately \$20,000 and \$13,000 during 2015 and 2014, respectively.