

**GREATER HICKORY  
COOPERATIVE CHRISTIAN MINISTRY**

**Financial Statements  
Years Ended December 31, 2015 and 2014**



**GREATER HICKORY  
COOPERATIVE CHRISTIAN MINISTRY**

**YEARS ENDED DECEMBER 31, 2015 AND 2014**

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Greater Hickory Cooperative Christian Ministry  
Hickory, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the Greater Hickory Cooperative Christian Ministry (a non-profit organization), which comprise the statement of financial position as of December 31, 2015, and the related statement of activities, cash flows and functional expenses for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 entity'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 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 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 the Greater Hickory Cooperative Christian Ministry, as of December 31, 2015, 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.

## **Report on Summarized Comparative Information**

We have previously audited the Greater Hickory Cooperative Christian Ministry's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 17, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
July 8, 2016





# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2015 AND 2014

	2015	2014
<b>Assets:</b>		
Cash, unrestricted	\$ 312,972	\$ 300,934
Inventories	1,286,262	1,383,338
Other receivables	27,941	42,659
Other current assets	4,264	55
Property and equipment	2,485,557	2,504,791
Accumulated depreciation	(1,022,092)	(971,190)
Cash, restricted	194,190	127,785
Promises to give, restricted (net of allowance for uncollectible promises of \$-0- in 2015 and 2014)	5,000	1,500
Beneficial interest in assets held by foundation	85,778	88,811
 Total assets	 \$ 3,379,872	 \$ 3,478,683
 <b>Liabilities and Net Assets:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 14,630	\$ 4,371
Note payable	15,671	19,768
 Total liabilities	 30,301	 24,139
 <b>Net Assets:</b>		
Unrestricted	3,064,603	3,236,448
Temporarily restricted	199,190	129,285
Permanently restricted	85,778	88,811
 Total net assets	 3,349,571	 3,454,544
 Total liabilities and net assets	 \$ 3,379,872	 \$ 3,478,683

*The accompanying notes are an integral part of the financial statements.*



# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>	
				<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>Support and Revenues:</b>					
State/federal grants	\$ 153,996	\$ -	\$ -	\$ 153,996	\$ 92,843
Catawba County	32,164	-	-	32,164	79,645
Foundation grants	274,063	131,673	-	405,736	455,495
Public support	366,769	-	-	366,769	376,465
Bequest	117,874	-	-	117,874	441,547
Net assets released from restrictions:					
Satisfied by payments	61,768	(61,768)	-	-	-
Thrift store sales	181,805	-	-	181,805	137,035
Thrift store inventory increase (decrease)	142,918	-	-	142,918	(43,699)
Investment income	131	-	(3,033)	(2,902)	980
Patient contributions	61,926	-	-	61,926	77,325
Special events income	18,616	-	-	18,616	36,346
Donated pharmaceuticals	8,279,816	-	-	8,279,816	7,555,260
Donated food	2,451,237	-	-	2,451,237	1,909,133
Donated services	123,327	-	-	123,327	112,649
Loss on sale of vehicle	-	-	-	-	(880)
Other income	4,509	-	-	4,509	7,271
	<u>12,270,919</u>	<u>69,905</u>	<u>(3,033)</u>	<u>12,337,791</u>	<u>11,237,415</u>
<b>Expenses:</b>					
Program services	11,934,627	-	-	11,934,627	10,343,712
Support services	190,730	-	-	190,730	169,070
Management and general	317,407	-	-	317,407	315,151
	<u>12,442,764</u>	<u>-</u>	<u>-</u>	<u>12,442,764</u>	<u>10,827,933</u>
Change in net assets	(171,845)	69,905	(3,033)	(104,973)	409,482
Net assets, beginning	<u>3,236,448</u>	<u>129,285</u>	<u>88,811</u>	<u>3,454,544</u>	<u>3,045,062</u>
Net assets, ending	<u>\$ 3,064,603</u>	<u>\$ 199,190</u>	<u>\$ 85,778</u>	<u>\$ 3,349,571</u>	<u>\$ 3,454,544</u>

The accompanying notes are an integral part of the financial statements.



# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (104,973)	\$ 409,482
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	73,716	71,288
(Gain) loss on sale of vehicle	-	880
(Increase) decrease in inventories	97,076	(35)
(Increase) decrease in promises to give	(3,500)	1,400
(Increase) decrease in other receivables	14,718	(23,210)
(Increase) decrease in other current assets	(4,209)	8,429
Increase (decrease) in accounts payable	10,259	(26,611)
Unrealized (increase) decrease in beneficial interest	3,033	(70,970)
Net cash provided (used) by operating activities	<u>86,120</u>	<u>370,653</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of furniture and equipment	(3,580)	(56,042)
Proceeds from sale of vehicle	-	450
Net cash provided (used) by investing activities	<u>(3,580)</u>	<u>(55,592)</u>
<b>Cash Flows from Financing Activities:</b>		
Principal repayments of note payable	(4,097)	(3,914)
Net cash provided (used) by financing activities	<u>(4,097)</u>	<u>(3,914)</u>
Net increase (decrease) in cash	78,443	311,147
Cash, beginning	<u>428,719</u>	<u>117,572</u>
Cash, ending	<u>\$ 507,162</u>	<u>\$ 428,719</u>

*The accompanying notes are an integral part of the financial statements.*

**GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)**

	<b>Program Services</b>		
	<b>Pharmacy</b>	<b>Clinic</b>	<b>Client Intervention</b>
Salaries and wages	\$ 132,331	\$ 194,870	\$ 85,412
Payroll taxes	10,179	14,990	6,570
Insurance - health	16,807	24,750	10,848
Retirement plan	864	1,272	558
Workers compensation	2,164	3,187	1,397
Client assistance:			
Rent and utilities	-	-	85,725
Food distributed			2,460,114
Medicine dispensed	8,568,694	-	-
Dental and vision	-	3,453	-
Facility expense:			
Insurance - general	1,213	2,773	4,679
Repairs and maintenance - building	1,069	2,444	4,123
Interest expense	-	-	-
Utilities	4,001	9,145	15,432
Contractual and professional services	-	10,758	25,253
Supplies	5,214	16,804	1,119
Special Events	-	-	-
Publicity	-	-	-
Repairs and maintenance - equipment	1,251	2,845	3,599
Office expense and postage	2,226	5,199	2,266
Volunteer recognition and gifts	-	-	-
Travel and training	-	923	1,629
Dues and licenses	4,370	1,452	5,000
Bank charges	-	-	658
Miscellaneous	-	-	-
	<u>8,750,383</u>	<u>294,865</u>	<u>2,714,382</u>
Depreciation	16,291	19,659	15,720
Donated professional services	25,260	98,067	-
Bad debts	-	-	-
Total expenses	<u>\$ 8,791,934</u>	<u>\$ 412,591</u>	<u>\$ 2,730,102</u>

*The accompanying notes are an integral part of the financial statements.*

Support Services			Totals	
Thrift Store	Fund Raising	Management & General	December 31, 2015	December 31, 2014
\$ 12,635	\$ 40,927	\$ 177,215	\$ 643,390	\$ 629,499
972	3,148	13,632	49,491	59,781
1,605	5,198	22,508	81,716	67,965
82	267	1,157	4,200	2,766
207	669	2,898	10,522	9,419
-	-	-	85,725	45,780
-	-	-	2,460,114	1,939,135
-	-	-	8,568,694	7,568,488
-	-	-	3,453	9,436
3,466	867	4,333	17,331	9,746
3,054	764	3,816	15,270	10,535
-	-	538	538	935
11,431	2,858	14,289	57,156	55,691
64,297	5,750	12,169	118,227	94,675
4,687	44	148	28,016	22,982
-	4,826	-	4,826	8,329
-	406	-	406	5,799
100	-	29,507	37,302	53,718
3,608	4,573	5,379	23,251	20,371
-	-	4,935	4,935	1,530
64	932	3,844	7,392	12,933
-	300	2,370	13,492	7,330
3,190	-	3,562	7,410	6,010
-	-	1,363	1,363	1,143
109,398	71,529	303,663	12,244,220	10,643,996
8,148	1,655	12,243	73,716	71,288
-	-	-	123,327	112,649
-	-	1,501	1,501	-
<u>\$ 117,546</u>	<u>\$ 73,184</u>	<u>\$ 317,407</u>	<u>\$ 12,442,764</u>	<u>\$ 10,827,933</u>

The accompanying notes are an integral part of the financial statements.





# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### NOTE A. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Business**

The Greater Hickory Cooperative Christian Ministry was established in 1969 as a non-profit organization composed of churches in the greater area of Hickory, North Carolina. The Ministry is supported primarily through member contributions. The services provided by the Ministry include: financial assistance for rent, utilities, heat, and food, clothing at the thrift shop, prescription drugs, medical assistance and interagency referrals. The Ministry's mission is to bring together the resources of the community to serve people in need of crisis assistance, support, and education, in response to God's call.

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

For purposes of reporting cash flows, cash and cash equivalents include cash in bank, cash on hand, and investments with an original maturity date of three months or less.

#### **Financial Statement Presentation**

The financial statements have been prepared on the accrual basis of accounting. In addition, the Ministry reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Net Assets Classification:

*Unrestricted net assets* are those currently available for use in the operations of the Ministry under the direction of the Board.

*Temporarily restricted net assets* are those stipulated by donors for specific purposes or those not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interest have ceased.

*Permanently restricted net assets* are those contributed with donor stipulations that they be held in perpetuity with use of income for unrestricted or temporarily restricted purposes.

#### **Contributions**

The Ministry reports grants, other contributions of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 Statement of Activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.



# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### NOTE A. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Fair Value of Financial Instruments**

FASB ASC 820-10 regarding fair value measurements clarifies the definition of fair value for financial reporting and establishes a three-tier hierarchy as a framework for measuring fair value which requires an entity to give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) when measuring fair value. The standard also requires additional disclosure about the use of fair value measurements. Fair value is defined as the price to sell an asset or transfer a liability between market participants as of the measurement date.

The three levels of the fair value hierarchy under this standard are as follows:

- Level 1 - Inputs are unadjusted quoted prices for identical instruments in active markets.
- Level 2 - Inputs are inputs other than quoted prices included within Level 1 that are directly or indirectly observable, such as quoted prices for similar instruments in active markets, or quoted prices for identical or similar instruments in inactive markets.
- Level 3 - Inputs are unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions, such as valuations derived from techniques in which one or more significant value drivers are observable.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

#### **Promises to Give**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. The Ministry uses the allowance method of accounting to record bad debts arising from uncollectible promises to give. Under this method, a reserve for uncollectible promises is estimated by analyzing the age and composition of promises to give. All unconditional promises to give for the years ended December 31, 2015 and 2014 are receivable in less than one year.



# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### NOTE A. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to give are considered either temporarily restricted or permanently restricted depending on the nature of the promise, until collected, and are presented net of an allowance for uncollectible promises of \$-0- as of December 31, 2015 and 2014, respectively.

Promises to give as of December 31 were as follows:

	<u>2015</u>	<u>2014</u>
Promises to give	\$ 5,000	\$ 1,500
Less unamortized discount on pledges	-	-
Less allowance for uncollectible pledges	<u>-</u>	<u>-</u>
Promises to give, net	<u>\$ 5,000</u>	<u>\$ 1,500</u>

### Property and Equipment

Property and equipment are stated at cost. Donated property and equipment are recorded at their estimated fair market value as of the date donated. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with restrictions regarding their use are reported as restricted support. Absent donor stipulations regarding the length of time those assets are to be maintained, the Ministry reports expirations of donor restrictions when the donated asset is placed in service.

Assets with a value of \$500 or above are capitalized, and depreciation is computed on the straight-line method based on the assets' estimated useful lives. Useful lives for all fixed assets range from 3 to 40 years. Depreciation expense was \$73,716 and \$71,288 for the years ended December 31, 2015 and 2014, respectively.

### Advertising

The Organization follows the policy of charging the costs of advertising (publicity) to expense as incurred. Advertising (publicity) expense was \$406 and \$5,799 for the years ended December 31, 2015 and 2014, respectively.



# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### NOTE A. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Donated Goods and Services**

The Ministry received donated services from volunteers with specialized skills in the clinic and pharmacy, and donated goods for distribution to its clients for the years ended December 31, 2015 and 2014. Donated pharmaceuticals are valued at average wholesale price. Donated goods are valued at fair market value as of the date the Ministry received the contribution. Donated services are valued at an hourly rate multiplied by the number of hours worked by volunteers in the clinic and pharmacy. Donated pharmaceuticals of \$8,279,816 and \$7,555,260, donated goods of \$2,451,237 and \$1,909,133, and donated professional services of \$123,327 and \$112,649 are reflected in the financial statements as public support and client services expense for the years ended December 31, 2015 and 2014, respectively.

The Ministry received donated warehouse space at \$2.50 per square foot for 1,920 square feet for the years ended December 31, 2015 and 2014.

#### **Functional Expenses**

Expenses are charged to each program based on direct expenditures incurred as well as allocations based on facility square footages, payroll percentages, number of users, and tasks.

#### **Income Taxes**

The Ministry is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claims or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Ministry may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Ministry and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2015 and 2014.

The Ministry files its forms 990 in the U.S. federal jurisdiction and the Office of the State's Attorney General for the State of North Carolina. The Ministry is generally no longer subject to examination by the Internal Revenue Service for years before 2012.

#### **Estimates**

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





# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### NOTE A. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Subsequent Events

Management of the Ministry has evaluated subsequent events through July 8, 2016, which is the date the financial statements were available to be issued. They discovered no subsequent events that should be disclosed.

#### Inventories

The Ministry maintains inventories of food, pharmaceuticals, clothing and household goods, which have primarily been donated. The valuations of these inventories are estimated at wholesale for pharmaceuticals and at estimated retail for clothing and food. The Ministry's inventories consist of the following:

	<u>2015</u>	<u>2014</u>
Pharmaceuticals	\$ 1,075,044	\$ 1,309,747
Food	5,813	11,104
Clothing & household goods	205,405	62,487
Total	<u>\$ 1,286,262</u>	<u>\$ 1,383,338</u>

### NOTE B. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets consist of the following at December 31, 2015:

Available for future periods:	
Cash, restricted	\$ 194,190
Promises to give:	
Foundation donors	<u>5,000</u>
Temporarily restricted assets	<u>\$ 199,190</u>

Permanently restricted net assets consist of the following at December 31, 2015:

Available for future periods:	
North Carolina Community Foundation	<u>\$ 85,778</u>



# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### NOTE C. BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATION

The Ministry has a restricted endowment fund held and managed by North Carolina Community Foundation. Values as of December 31, were as follows:

	<u>2015</u>	<u>2014</u>
Greater Hickory Cooperative Christian Ministry Pharmacy Endowment	<u>\$ 85,778</u>	<u>\$ 88,811</u>

Investment income (loss), net of administrative and management fees of \$889 and \$357 for the years ended December 31, 2015 and 2014, were (\$2,902) and \$970, respectively.

During the year 2013, the Ministry requested and received an extraordinary distribution of \$70,000 from the North Carolina Community Foundation. These funds were taken from the Ministry Pharmacy Endowment account with the understanding that the Ministry is planning to repay the amount within three years or sooner.

Funds were paid back in the year 2014.

### NOTE D. PROPERTY AND EQUIPMENT

The property and equipment of the Ministry consists as follows:

	<u>2015</u>	<u>2014</u>
Land	\$ 176,345	\$ 176,345
Land improvements	22,575	22,575
Buildings and improvements	2,017,045	2,017,045
Vehicles	63,334	63,334
Furniture and equipment	<u>206,258</u>	<u>225,492</u>
	2,485,557	2,504,791
Less accumulated depreciation	<u>(1,022,092)</u>	<u>(971,190)</u>
Net property and equipment	<u>\$ 1,463,465</u>	<u>\$ 1,533,601</u>



# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### NOTE E. NOTES PAYABLE

Note payable is comprised of the following:

	<u>2015</u>	<u>2014</u>
3.0% note payable in 240 consecutive monthly payments of \$385.21, including interest, beginning June 1, 1999	\$ 15,671	\$ 19,768

### NOTE F. CONCENTRATION OF RISKS

The Greater Hickory Cooperative Christian Ministry maintains accounts at banks that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2015 the carrying amount of deposits was \$507,162 and the bank balance \$485,279. Of the bank balance \$250,000 is FDIC secured, and \$235,279 is unsecured.

### NOTE G. RETIREMENT PLAN

The Ministry has a simple-IRA plan whereby employees are eligible to participate after 1 year of service. GHCCM matches up to 3% of a participant employee's salary. Total employer contributions were \$4,200 and \$2,766 for the years ended December 31, 2015 and 2014, respectively.

### NOTE H. INVESTMENT INCOME

A summary of investment earnings included in investment income in the accompanying Statement of Activities for the year ended December 31 is as follows: (Includes activity in the beneficial interest in assets held by foundation.)

	<u>2015</u>	<u>2014</u>
Realized gains/(losses) on sale of equity securities	\$ -	\$ -
Dividends and interest	3,361	729
Unrealized gain (loss)	<u>(6,263)</u>	<u>251</u>
Total	<u>\$ (2,902)</u>	<u>\$ 980</u>

Proceeds from sales of marketable equity securities during the years ended December 31, 2015 and 2014, were \$-0- and \$-0-, respectively. Generally it is the Ministry's policy that donated securities are immediately sold and reported under public support.



# GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### NOTE I. LEASES

The Ministry leases three copy machines in an operating lease agreement for sixty (60) months with payments of \$1,016 per month ending in September 2020.

Future minimum lease payments under operating leases at December 31, 2015 are as follows:

2016	\$	12,192
2017		12,192
2018		12,192
2019		12,192
2020		9,144
	\$	<u>57,912</u>

### NOTE J. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2015 and 2014 are as follows:

Fair value measurement at reporting date using:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
<b>December 31, 2015</b>		
Cash - equivalents	\$ 507,162	\$ 507,162
Beneficial interest in asset held by foundation	85,778	85,778
Total	<u>\$ 592,940</u>	<u>\$ 592,940</u>
<b>December 31, 2014</b>		
Cash - equivalents	\$ 428,719	\$ 428,719
Beneficial interest in asset held by foundation	88,811	88,811
Total	<u>\$ 517,530</u>	<u>\$ 517,530</u>

Fair values for investments and beneficial interest in assets held by foundation are determined by reference to quoted market prices and other relevant information generated by market transactions.





# **GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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### **NOTE K. RECLASSIFICATIONS**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

### **NOTE L. LINE OF CREDIT**

The Ministry has established a line of credit with a bank, which provides that it may borrow up to \$150,000 at the bank's prime rate of interest plus .5% per annum to be adjusted daily (prime rate 3.5% and 3.25% at December 31, 2015 and 2014, respectively). No amounts were outstanding as of December 31, 2015 and 2014. The line of credit expires on June 5, 2017 and is renewable by mutual agreement of the parties.