



*Financial Statements*

**HARVEST COMMUNITY CHURCH, INC.**

JUNE 30, 2025





Outside the box. Within the lines.



HARVEST COMMUNITY CHURCH, INC.  
JUNE 30, 2025

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board Members  
Harvest Community Church, Inc.  
Kittanning, Pennsylvania

### Opinion

We have audited the accompanying financial statements of Harvest Community Church, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2025, the related statement of support, revenue, and expenses – modified cash basis and statement of functional expenses – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Harvest Community Church, Inc. as of June 30, 2025, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

### 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Harvest Community Church, Inc. 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.

### Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 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 Harvest Community Church, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Harvest Community Church, Inc.'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.

*Holsinger P.C.*

Wexford, Pennsylvania  
June 11, 2026



HARVEST COMMUNITY CHURCH, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS  
AS OF JUNE 30, 2025

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 667,229
Miscellaneous receivable	467
Inventory	5,407
Prepaid expense	<u>197</u>
Total Current Assets	673,300
Property and Equipment:	
Land, buildings and improvements	7,584,489
Leasehold improvements	90,593
Furniture and equipment	1,146,564
Vehicles	<u>6,077</u>
	8,827,723
Less: accumulated depreciation	<u>(1,836,043)</u>
Total Property and Equipment, net	<u>6,991,680</u>
Total Assets	<u><u>\$ 7,664,980</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 240
Student accounts and event deposits	979
Payroll taxes payable	5,469
Other accrued liabilities	4,510
Long-term liabilities, current portion	<u>219,153</u>
Total Current Liabilities	230,351
Long-term Liabilities, net of Current Portion	<u>4,922,858</u>
Total Liabilities	5,153,209
Net Assets:	
Without Donor Restrictions	<u>2,511,771</u>
Total Net Assets	<u>2,511,771</u>
Total Liabilities and Net Assets	<u><u>\$ 7,664,980</u></u>

The accompanying notes are an integral part of this financial statement.

HARVEST COMMUNITY CHURCH, INC.  
 STATEMENT OF SUPPORT, REVENUE, AND EXPENSES – MODIFIED CASH BASIS  
 YEAR ENDED JUNE 30, 2025

Support and Revenues:	
Offerings	\$ 2,402,177
Daycare	718,987
Grant income	48,812
Coffee shop	59,091
Fundraising	11,030
Special event income	117,039
HUB income	9,235
Gain on disposal of property, plant, and equipment	8,850
Investments returns, net	5,176
Miscellaneous	2,802
Interest income	<u>1,238</u>
Total Support and Revenues	3,384,437
Expenses:	
Program services	2,903,160
General and administrative	305,129
Fundraising	<u>174,750</u>
Total Expenses	<u>3,383,039</u>
Changes in Net Assets	1,398
Net Assets, Beginning of Year	<u>2,510,373</u>
Net Assets, End of Year	<u><u>\$ 2,511,771</u></u>

The accompanying notes are an integral part of this financial statement.

HARVEST COMMUNITY CHURCH, INC.  
STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2025

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Compensations and benefits	\$ 1,768,771	\$ 174,933	\$ -	\$ 1,943,704
Administration (office and tech)	38,612	92,074	17,821	148,507
Church ministries	92,148	-	-	92,148
Coffee shop	32,482	1,004	-	33,486
Daycare ministry	69,540	3,660	-	73,200
Depreciation	325,533	13,564	-	339,097
Interest expense	243,814	10,159	-	253,973
Special event expense	-	-	156,929	156,929
Missions	98,644	-	-	98,644
Occupancy	157,332	6,556	-	163,888
Repairs and maintenance	76,284	3,179	-	79,463
	<u>\$ 2,903,160</u>	<u>\$ 305,129</u>	<u>\$ 174,750</u>	<u>\$ 3,383,039</u>
Total Expenses	<u>\$ 2,903,160</u>	<u>\$ 305,129</u>	<u>\$ 174,750</u>	<u>\$ 3,383,039</u>

The accompanying notes are an integral part of this financial statement.

HARVEST COMMUNITY CHURCH, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**Note 1 – Nature of Activities**

Harvest Community Church, Inc. (the “Organization”), located in Kittanning, PA, is a Pennsylvania nonprofit corporation formed on October 15, 1998 to “proclaim the gospel of Jesus Christ throughout the world.” As a church, the Organization is exempt from taxation under the Internal Revenue Code. The Organization maintains four locations in Pennsylvania: Kittanning, Indiana, New Bethlehem, and Petrolia.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Accounting** – The Organization’s financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Modifications to the cash basis of accounting include recording property and equipment and its related depreciation, certain payables, certain advances, long-term debt, and accruing for payroll taxes. Accordingly, revenue is recognized when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.

**Basis of Presentation** – The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, the net assets and funds of the Organization are classified and reported as follows:

*Net assets without donor restrictions* are net assets available for use in general operations and are not subject to donor (or certain grantor) restrictions.

*Net assets with donor restrictions* are subject to donor (or certain grantor) restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. For the year ending June 30, 2025, there were no with donor restricted funds received. It is generally the Organization's policy to not accept purpose or time restricted donations.

**Cash and Cash Equivalents** – The Organization considers all unrestricted, highly liquid instruments with original maturities of three months or less to be cash equivalents. All accounts were fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (the “FDIC”). From time to time, the Organization has a credit risk for cash when the cash balance at a single bank exceeds the federally insured amount of \$250,000.

**Inventory** – Inventory is stated at the lower of cost or net realizable value and consists of gear and books for the Organization’s bookstore.

HARVEST COMMUNITY CHURCH, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 2 – Summary of Significant Accounting Policies – Continued**

Property and Equipment – Property and equipment are comprised of land, buildings and improvements, leasehold improvements, furniture and equipment, and vehicles. It is the policy of the Organization to capitalize expenditures for these items with a cost of \$5,000 or more, closely related assets may be aggregated and capitalized if the aggregate cost is \$5,000 or more. Lesser amounts are expensed. Property and equipment are carried at cost or, if donated, at fair value at the date of the donation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows: buildings and building improvements over thirty-nine years; and improvements, such as paving, over fifteen years; renovations over fifteen years; furniture and equipment over ten years; vehicles over seven years; and computers over five years. Depreciation expense totaled \$339,097 during the year ended June 30, 2025. Property and equipment is evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from estimated future cash flows. If estimated cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. Management determined that no asset impairment existed during the year ended June 30, 2025.

Fair Value of Financial Instruments – Receivables, inventory, prepaids, accounts payable, student accounts and event deposits, payroll taxes payable, and other accrued liabilities have been identified as short-term financial instruments. The related carrying amounts in the statements of assets, liabilities, and net assets – modified cash basis as of June 30, 2025 approximate fair values because of the relatively short time between the origination of the instrument and its expected realization/liquidation.

Contributions – The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributed Nonfinancial Assets – The Organization receives professional services donated by the public in carrying out the Organization’s mission. The financial statements do not reflect the value of these contributed services because these services do not meet the criteria for recognition prescribed by generally accepted accounting principles.

The Organization’s primary revenue stream is from general donations, special offerings, and donations used for specific church programs. The Organization also derives a portion of its revenues from providing daycare services, operating a coffee shop, and holding special events. Daycare services are provided to clients, for which payment is typically received through agreements with private pay customers. Similarly, the coffee shop generates revenue from the sale of food and merchandise to customers. Special events, including retreats, mission trips, and events involving various ministries, generate revenue from registration fees and other contributions. A contract exists with a client when an individual signs up for daycare services, a special event, or when a customer purchases goods from the coffee shop. The Organization’s performance obligations are satisfied at the point the service is provided (daycare and special events) or when control of the goods is transferred to the customer (coffee shop), as customers receive the benefit at that time. The transaction price varies based on the services rendered or items purchased. The Organization considers historical data and relevant factors to estimate any amounts not expected to be collected. Revenues are recognized on a cash basis. Disaggregation of revenue is reported on the Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis.

HARVEST COMMUNITY CHURCH, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 2 – Summary of Significant Accounting Policies – Continued**

Intentions to Give – Faith promises and pledges do not meet the criteria for revenue recognition; therefore, they are not reflected as contributions in the statement of revenues, expenses, and other changes in net assets – modified cash basis until the pledges are collected.

Functional Allocation of Expenses – The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses – modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on percentages determined by management related to usage, time spent, and effort expended.

Income Taxes – The Organization is exempt from income tax under the provisions of Internal Revenue Code Section 501(c)(3).

The Organization records a liability for uncertain tax positions, if any, based on management’s judgment of the risk of loss for items that have been, or may be, challenged by taxing authorities. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

Debt Issuance Costs - Debt issuance costs represent costs associated with financing long-term debt. Accounting standards require that debt issuance costs be shown net of the related long-term debt. The costs are amortized over the term of the related debt and recorded as interest expense. Accumulated amortization was \$8,941 as of June 30, 2025. Amortization of debt issuance costs totaled \$2,074 during the year ended June 30, 2025.

Estimates – The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the financial statement amounts and disclosures. Actual results could differ from those estimates.

**Note 3 – Liquidity**

The Organization’s financial assets available within one year of the statement of assets, liabilities, and net assets – modified cash basis are as follows, as of June 30, 2025:

Cash and cash equivalents	\$ 667,229
Miscellaneous receivable	467
Less: Contractual or donor-imposed restrictions	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 667,696</u></u>

In addition to the financial assets above, the Organization expects to receive contributions throughout the next fiscal year that will serve to support the general budget and other operations (both with and without donor restrictions). As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

HARVEST COMMUNITY CHURCH, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 4 – Fair Value Measurements and Investments**

A brokerage account was opened with Edward Jones for the purpose of receiving non-cash donations of stock. This brokerage account was liquidated during the year ended June 30, 2025.

On July 25, 2019, the Organization purchased a Church Note through Heritage Investment Services Fund (“HIS Fund”) in the amount of \$450,000 for a term of 5 years and at an interest rate of 4%, compounded quarterly. The note was an unsecured promissory note and was fully redeemed in July 2024.

**Note 5 – Long-Term Debt**

Long-term debt balances are as follows as of June 30, 2025:

The Organization entered into a loan agreement with Wells Fargo Equipment Finance to provide \$21,906 to finance the purchase of HVAC equipment at the Indiana campus, with interest at 7.71%. The note is payable in monthly installments of \$381. The loan is collateralized by the HVAC equipment. Final payment is due October 2026.	\$ 6,120
The Organization entered into a loan agreement with Calvary Baptist Church of Tarentum for the purchase of their church building for \$220,000 with \$50,000 paid at signing, with interest at 0.00%. The note is payable in monthly installments of \$1,200 with a balloon payment of \$98,000 due at maturity. The loan is collateralized by the building. Final payment is due July 2027.	126,800
The Organization entered into a loan agreement with WatersEdge Ministry Services to provide \$5,500,000 to finance the expansion of the Kittanning campus, with a variable interest rate of 4.90% as of June 30, 2025. The note is payable in monthly installments of \$36,042. The loan is collateralized by the building. Final payment is due October 2042.	<u>5,043,614</u>
Total Long-term Liabilities	5,176,534
(Less): Current Portion	219,153
(Less): Debt issuance Costs, net of amortization	<u>34,523</u>
Total Long-term Liabilities, net of Current Portion	<u><u>\$ 4,922,858</u></u>

HARVEST COMMUNITY CHURCH, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 5 – Long-Term Debt – Continued**

The long-term debt matures according to the following schedule:

<u>Years Ending June 30,</u>	
2026	\$ 219,153
2027	215,911
2028	307,643
2029	220,149
2030	231,182
Thereafter	<u>3,982,496</u>
	<u>\$ 5,176,534</u>

**Note 6 – Defined Contribution Plan**

The Organization has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers active employees of the Organization that are at least 18 years of age and have worked a minimum average of 20 hours per week for 6 consecutive months. The Organization matches contributions up to 3% of gross salaries to the plan for qualified employees who continue to work a minimum average of 20 hours per week. Employees may make contributions up to the maximum amount allowed by the Internal Revenue Code, if they wish. The Organization's contributions to the plan were \$19,885 during the year ended June 30, 2025.

**Note 7 – Operating Leases**

The Organization leases certain equipment and facilities under noncancelable lease agreements. The financial statements are prepared on the modified cash basis of accounting; accordingly, lease obligations are generally recognized as payments are made rather than when incurred. Lease disclosures are intended to describe the nature of the Organization's leasing arrangements and the related cash payment requirements.

The Organization has entered into equipment lease agreements for computer and office equipment used in operations. On October 27, 2021, the Organization entered into a 36-month lease agreement for Apple computers with monthly payments of \$252. On September 13, 2023, the Organization entered into an additional 36-month lease agreement for three Apple Mac minicomputers and two MacBook Air laptops with monthly payments of \$119. In August 2025, the Organization entered into a 39-month lease agreement for copiers with monthly payments of \$557. Each of these equipment leases provides the Organization with an option to purchase the leased equipment at fair market value at the end of the respective lease term.

The Organization also leases its Indiana, Pennsylvania facility under an operating lease agreement that expires on October 31, 2026. The facility lease may be canceled by the Organization with 90 days' written notice. Rent payments for this facility lease totaled \$21,100 during the year ended June 30, 2025.

HARVEST COMMUNITY CHURCH, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 7 – Operating Leases – Continued**

Future cash payments under these lease arrangements are fixed monthly amounts through the respective lease terms unless the Indiana, Pennsylvania facility lease is terminated in accordance with its cancellation provisions. Management believes these disclosures summarize the significant terms affecting the amount, timing, and uncertainty of cash flows arising from the Organization's lease arrangements.

Minimum lease payments under the operating leases are as follows:

<u>Years Ending June 30,</u>	
2026	\$ 23,728
2027	<u>9,857</u>
	<u>\$ 33,585</u>

**Note 8 – Subsequent Events**

Management has evaluated subsequent events through June 11, 2026, the date the financial statements were available to be issued, and determined that no subsequent events have occurred.