

## INDEPENDENT AUDITORS' REPORT

Hillsong Church USA, Inc.  
Hillsong East Coast (A Division of Hillsong Church USA, Inc.)  
New York, New York

We have audited the accompanying combined financial statements of Hillsong East Coast (a division of Hillsong Church USA, Inc.), which comprise the combined statements of financial position as of December 31, 2019 and 2018, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

### *Management's Responsibility for the Combined Financial Statements*

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Hillsong Church USA, Inc.  
Hillsong East Coast (A Division of Hillsong Church USA, Inc.)  
New York, New York

***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Hillsong East Coast as of December 31, 2019 and 2018, and the changes in its combined net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Related Party Relationship***

Hillsong East Coast is a division of Hillsong Church USA, Inc. The Hillsong East Coast division is comprised of Hillsong NYC, LLC., Hillsong NJ, LLC., Hillsong Boston, LLC., and Hillsong Connecticut, LLC., each of which are single member LLC's, with Hillsong Church USA, Inc. being the sole member of each. Hillsong Church USA, Inc. is itself a single-member corporation, with Hillsong Church, Inc. (Hillsong Global), being the sole member. Hillsong East Coast functions as Hillsong Church, Inc.'s ministries on the east coast of the United States. See Note 6 for details relating to the transactions between Hillsong East Coast and related entities.

*Capin Crouse LLP*

New York, New York  
November 12, 2020

# HILLSONG EAST COAST

(A Division of Hillsong Church USA, Inc.)

## Combined Statements of Financial Position

	December 31,	
	2019	2018
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 999,750	\$ 1,826,529
Contributions receivable	212,980	308,634
Receivables from associated organizations	1,043,288	1,096,521
Other receivables	18,768	26,355
Prepaid expenses and other assets	131,859	173,606
Resource inventory	94,182	91,509
Property and equipment, net	3,691,834	1,435,117
<b>Total Assets</b>	<b>\$ 6,192,661</b>	<b>\$ 4,958,271</b>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable	\$ 617,660	\$ 55,580
Accrued expenses	673,941	46,371
Deferred rent credit	78,928	77,828
<b>Total liabilities</b>	<b>1,370,529</b>	<b>179,779</b>
Net assets:		
Without Donor Restrictions	4,822,132	3,794,327
With Donor Restrictions	-	984,165
<b>Total net assets</b>	<b>4,822,132</b>	<b>4,778,492</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,192,661</b>	<b>\$ 4,958,271</b>

See notes to combined financial statements

# HILLSONG EAST COAST

(A Division of Hillsong Church USA, Inc.)

## Combined Statements of Activities

	Year Ended December 31,					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE AND RELEASES:</b>						
Tithes, offerings and contributions	\$ 11,444,627	\$ 1,297,258	\$ 12,741,885	\$ 10,081,249	\$ 1,412,495	\$ 11,493,744
Other income	275,098	-	275,098	271,977	-	271,977
Net assets released from restrictions	2,281,423	(2,281,423)	-	1,626,556	(1,626,556)	-
<b>Total Support, Revenue and Releases</b>	<b>14,001,148</b>	<b>(984,165)</b>	<b>13,016,983</b>	<b>11,979,782</b>	<b>(214,061)</b>	<b>11,765,721</b>
<b>EXPENSES:</b>						
Program services:						
Services and events	7,927,876	-	7,927,876	6,893,128	-	6,893,128
Ministries	2,744,300	-	2,744,300	2,544,437	-	2,544,437
	<u>10,672,176</u>	<u>-</u>	<u>10,672,176</u>	<u>9,437,565</u>	<u>-</u>	<u>9,437,565</u>
Supporting services:						
Management and general	2,090,220	-	2,090,220	1,975,493	-	1,975,493
Fundraising	210,947	-	210,947	188,254	-	188,254
	<u>2,301,167</u>	<u>-</u>	<u>2,301,167</u>	<u>2,163,747</u>	<u>-</u>	<u>2,163,747</u>
<b>Total Expenses</b>	<b>12,973,343</b>	<b>-</b>	<b>12,973,343</b>	<b>11,601,312</b>	<b>-</b>	<b>11,601,312</b>
Change in Net Assets	1,027,805	(984,165)	43,640	378,470	(214,061)	164,409
Net Assets, Beginning of Year	3,794,327	984,165	4,778,492	3,415,857	1,198,226	4,614,083
Net Assets, End of Year	<u>\$ 4,822,132</u>	<u>\$ -</u>	<u>\$ 4,822,132</u>	<u>\$ 3,794,327</u>	<u>\$ 984,165</u>	<u>\$ 4,778,492</u>

See notes to combined financial statements

**HILLSONG EAST COAST**  
(A Division of Hillsong Church USA, Inc.)

**Combined Statement of Functional Expenses**

Year Ended December 31, 2019

	Program Services			Supporting Services			Total
	Services and Events	Ministries	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Venue costs	\$ 4,229,391	\$ 449,419	\$ 4,678,810	\$ -	\$ 42,092	\$ 42,092	\$ 4,720,902
Salaries and benefits	1,467,678	1,426,909	2,894,587	719,014	92,656	811,670	3,706,257
Travel, transportation and truck rentals	560,223	68,884	629,107	45,662	2,848	48,510	677,617
Association costs	-	-	-	561,852	-	561,852	561,852
Office expenses and professional fees	-	178,242	178,242	378,762	-	378,762	557,004
Catering and food	247,698	113,492	361,190	-	10,421	10,421	371,611
Contracted services	243,078	47,283	290,361	64,259	200	64,459	354,820
Office occupancy costs	-	106,830	106,830	227,015	-	227,015	333,845
Supplies	165,729	114,805	280,534	4,735	23,951	28,686	309,220
Other expenses	103,931	173,828	277,759	10,402	171	10,573	288,332
Production expenses	231,435	-	231,435	-	20,485	20,485	251,920
Depreciation	178,339	21,051	199,390	37,134	-	37,134	236,524
Safety	151,392	4,495	155,887	7,929	-	7,929	163,816
Printing	82,610	15,023	97,633	-	17,836	17,836	115,469
Hospitality	87,486	5,116	92,602	9,025	-	9,025	101,627
Meetings and conferences	77,607	7,237	84,844	12,766	287	13,053	97,897
Insurance	39,174	4,426	43,600	7,807	-	7,807	51,407
Communications and marketing	32,332	6,695	39,027	2,946	-	2,946	41,973
Volunteer appreciation	29,773	565	30,338	912	-	912	31,250
<b>Total Expenses</b>	<b>\$ 7,927,876</b>	<b>\$ 2,744,300</b>	<b>\$ 10,672,176</b>	<b>\$ 2,090,220</b>	<b>\$ 210,947</b>	<b>\$ 2,301,167</b>	<b>\$ 12,973,343</b>

See notes to combined financial statements

**HILLSONG EAST COAST**  
(A Division of Hillsong Church USA, Inc.)

**Combined Statement of Functional Expenses**

Year Ended December 31, 2018

	Program Services			Supporting Services			Total
	Services and Events	Ministries	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Venue costs	\$ 3,924,852	\$ 362,627	\$ 4,287,479	\$ -	\$ 17,934	\$ 17,934	\$ 4,305,413
Salaries and benefits	1,362,145	1,324,406	2,686,551	530,254	97,106	627,360	3,313,911
Travel, transportation and truck rentals	389,628	50,341	439,969	122,914	2,003	124,917	564,886
Association costs	-	-	-	493,072	-	493,072	493,072
Office expenses and professional fees	-	134,709	134,709	286,257	-	286,257	420,966
Other expenses	50,175	252,135	302,310	34,370	-	34,370	336,680
Contracted services	134,800	58,525	193,325	94,028	-	94,028	287,353
Catering and food	128,808	84,920	213,728	21,629	39,452	61,081	274,809
Production expenses	270,194	2,341	272,535	-	-	-	272,535
Depreciation	132,507	41,902	174,409	89,042	-	89,042	263,451
Supplies	183,236	57,591	240,827	11,965	8,319	20,284	261,111
Office occupancy costs	-	79,126	79,126	168,143	-	168,143	247,269
Safety	124,629	3,358	127,987	19,330	-	19,330	147,317
Printing	82,910	40,170	123,080	-	23,440	23,440	146,520
Hospitality	46,564	7,698	54,262	44,306	-	44,306	98,568
Meetings and conferences	33,079	5,469	38,548	31,475	-	31,475	70,023
Insurance	4,868	10,749	15,617	24,757	-	24,757	40,374
Communications and marketing	10,484	27,684	38,168	-	-	-	38,168
Volunteer appreciation	14,249	686	14,935	3,951	-	3,951	18,886
<b>Total Expenses</b>	<b>\$ 6,893,128</b>	<b>\$ 2,544,437</b>	<b>\$ 9,437,565</b>	<b>\$ 1,975,493</b>	<b>\$ 188,254</b>	<b>\$ 2,163,747</b>	<b>\$ 11,601,312</b>

See notes to combined financial statements

# HILLSONG EAST COAST

(A Division of Hillsong Church USA, Inc.)

## Combined Statements of Cash Flows

	Year Ended December 31,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 43,640	\$ 164,409
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	236,524	263,451
Change in:		
Contributions receivable	95,654	45,912
Receivables from associated organizations	53,233	(74,549)
Other receivables	7,587	12,335
Prepaid expenses and other assets	41,747	(30,872)
Resource inventory	(2,673)	26,521
Accounts payable	562,080	7,442
Accrued expenses	627,570	(30,337)
Deferred rent credit	1,100	(16,128)
Net Cash Provided by Operating Activities	<u>1,666,462</u>	<u>368,184</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	<u>(2,493,241)</u>	<u>(535,752)</u>
Net Cash Used by Investing Activities	<u>(2,493,241)</u>	<u>(535,752)</u>
Change in Cash and Cash Equivalents	(826,779)	(167,568)
Cash and Cash Equivalents, Beginning of Year	<u>1,826,529</u>	<u>1,994,097</u>
Cash and Cash Equivalents, End of Year	<u>\$ 999,750</u>	<u>\$ 1,826,529</u>

See notes to combined financial statements