

March 17, 2017

Mr. Bill Sperling, Audit Committee Chair
Harvest Bible Chapel
800 Rohlwing Road
Rolling Meadows, Illinois 60008

Bill:

As part of the audit process, our church clients receive the comprehensive Church Financial Health Index™ from CapinCrouse. The Church Financial Health Index™ helps you assess the financial wellness of your church and identify areas for improvement. The Church Financial Health Index™ is a product unique to CapinCrouse, who, since 1972, has been serving non-profit entities through a full range of audit, review, tax, and advisory services. We currently serve more than 1,200 such organizations across the country, with approximately 400 being local churches.

The 2016 report for Harvest Bible Chapel (HBC) provides a look at 36 different ratios, broken into five different categories: cash flows and reserve measurements, asset measurements, debt measurements, income/giving measurements, and expense measurements. For each calculated ratio, the report provides 2016 data for HBC and 35 peer churches (stratified by the database) and our benchmark for selected ratios. In all five categories listed, the majority of HBC measurements are within peer ranges. The purpose of this letter is to present a summary of the 2016 results for two of the above listed five categories.

The first of these categories is debt ratios and measurements. There are eight ratios in this category, including debt to unrestricted support, debt to property and equipment, and debt per average attendee. For each of these eight ratios, HBC's measurement falls within the range of its peers. In addition to the peer ranges, we have provided a benchmark for seven of these ratios. HBC meets or exceeds our recommended benchmark on all seven. The second of these categories where you have requested a summary is expense ratios and measurements. There are seven ratios in this category, six of which address salaries and benefits of church employees, including salaries and benefits of church personnel as a percent of total support and revenue, average salaries and benefits per full time equivalent employee, and salaries and benefits as a percent of total expenses. For each of these seven ratios, HBC's measurement falls within the range of its peers. HBC also meets or exceeds our benchmarks in this category.

I trust the preceding information is useful to you as you continue to provide oversight to HBC and its financial reporting.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Gregory Griffin".

S. Gregory Griffin, CPA
Partner