



# *Fick, Eggemeyer* & *Williamson*

Certified Public Accountants, PC



MEMBERS OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Harvester Christian Church, Inc.

We have audited the accompanying financial statements of Harvester Christian Church, Inc. (a non-profit corporation), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows 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.

### **Auditors' 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 Harvester Christian Church, Inc. as of December 31, 2016, 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.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of activities by campus on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Fick, Eggemeyer & Williamson*

Fick, Eggemeyer, and Williamson CPAs

St. Louis, Missouri

March 27, 2017

HARVESTER CHRISTIAN CHURCH, INC.  
STATEMENT OF FINANCIAL POSITION

December 31, 2016

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 640,157
Certificate of deposit	43,674
Prepaid expenses	47,393
Other assets	6,434
Total current assets	<u>737,658</u>
PROPERTY AND EQUIPMENT	
Land	1,110,920
Land improvements	731,697
Buildings and improvements	22,647,111
Leasehold improvements	191,780
Furniture and equipment	1,441,806
Vehicles	27,955
Less: accumulated depreciation	<u>(6,429,833)</u>
Total property and equipment	<u>19,721,436</u>
NONCURRENT ASSETS	
Promissory notes - note 7	<u>21,000</u>
Total noncurrent assets	<u>21,000</u>
Total assets	<u>\$ 20,480,094</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 10,653
Credit card payable	61,168
Salaries payable	48,247
Other current liabilities	1,300
Note payable - current - note 2	<u>412,314</u>
Total current liabilities	<u>533,682</u>
NONCURRENT LIABILITIES	
Note payable, less current maturities - note 2	<u>11,793,923</u>
Total noncurrent liabilities	<u>11,793,923</u>
Total liabilities	<u>12,327,605</u>
NET ASSETS	
Unrestricted	8,031,707
Temporarily restricted	80,782
Permanently restricted	<u>40,000</u>
Total net assets	<u>8,152,489</u>
Total liabilities and net assets	<u>\$ 20,480,094</u>

See accompanying notes and independent auditors' report

HARVESTER CHRISTIAN CHURCH, INC.  
STATEMENT OF ACTIVITIES

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For the year ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and revenue:</b>				
General fund income	\$ 5,516,322	\$ -	\$ -	\$ 5,516,322
Designated contributions	-	129,446	-	129,446
Interest income	549	-	-	549
Other income	3,520	-	-	3,520
Non-cash contributions	595,823	-	-	595,823
<b>Total support and revenue</b>	<b>6,116,214</b>	<b>129,446</b>	<b>-</b>	<b>6,245,660</b>
Net assets released from restrictions	131,414	(131,414)	-	-
<b>Total</b>	<b>6,247,628</b>	<b>(1,968)</b>	<b>-</b>	<b>6,245,660</b>
<b>Operating expenses:</b>				
Administration	157,613	-	-	157,613
Facilities	346,449	-	-	346,449
Payroll	2,482,752	-	-	2,482,752
Staff expense	455,552	-	-	455,552
Interest expense	542,648	-	-	542,648
Repair and maintenance	15,267	-	-	15,267
Ministry	463,348	-	-	463,348
Missions	519,540	-	-	519,540
Depreciation	681,156	-	-	681,156
Non-cash expense	595,823	-	-	595,823
<b>Total expenses</b>	<b>6,260,148</b>	<b>-</b>	<b>-</b>	<b>6,260,148</b>
Change in net assets	(12,520)	(1,968)	-	(14,488)
Net assets, beginning of year	8,044,227	82,750	40,000	8,166,977
Net assets, end of year	<u>\$ 8,031,707</u>	<u>\$ 80,782</u>	<u>\$ 40,000</u>	<u>\$ 8,152,489</u>

See accompanying notes and independent auditors' report

HARVESTER CHRISTIAN CHURCH  
STATEMENT OF CASH FLOWS

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For the year ended December 31, 2016

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (14,488)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation	681,156
Loss on disposal of fixed assets	153,201
Changes in assets and liabilities:	
(Increase) decrease in prepaid expenses	(27,380)
(Increase) decrease in other assets	21,030
(Increase) decrease in promissory note	11,000
Increase (decrease) in accounts payable	(56,626)
Increase (decrease) in construction payable	(541,091)
Increase (decrease) in salaries payable	9,215
Increase (decrease) in credit cards payable	61,168
Increase (decrease) in other current liabilities	200
Net cash provided by (used in) operating activities	<u>297,385</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from certificate of deposit redemption	284
Purchases of property and equipment	<u>(44,880)</u>
Net cash provided by (used in) investing activities	<u>(44,596)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on long-term debt	(290,523)
Proceeds from borrowing	<u>391,412</u>
Net cash provided by (used in) financing activities	<u>100,889</u>
Net increase (decrease) in cash and cash equivalents	353,678
Cash and cash equivalents, beginning of year	<u>286,479</u>
Cash and cash equivalents, end of year	<u><u>\$ 640,157</u></u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>	
Cash paid during the year for interest	<u><u>\$ 542,648</u></u>

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