



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, 2015, 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's 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental 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, & Williamson CPAS

Saint Louis, MO

March 22, 2016

HARVESTER CHRISTIAN CHURCH, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2015

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 286,479
Certificate of deposit	43,958
Prepaid expenses	20,013
Other assets	27,464
Total current assets	<u>377,914</u>
PROPERTY AND EQUIPMENT	
Land	1,110,920
Land improvements	725,182
Buildings and improvements	22,786,563
Leasehold improvements	188,679
Furniture and equipment	1,420,289
Vehicles	27,955
Less: accumulated depreciation	<u>(5,748,675)</u>
Total property and equipment	<u>20,510,913</u>
NONCURRENT ASSETS	
Promissory notes - note 7	<u>32,000</u>
Total noncurrent assets	<u>32,000</u>
Total assets	<u>\$ 20,920,827</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 67,279
Construction payable	541,091
Salaries payable	39,032
Other current liabilities	1,100
Note payable - note 2	<u>12,105,348</u>
Total current liabilities	<u>12,753,850</u>
NONCURRENT LIABILITIES	
None	<u>-</u>
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>12,753,850</u>
NET ASSETS	
Unrestricted	8,044,227
Temporarily restricted	82,750
Permanently restricted	<u>40,000</u>
Total net assets	<u>8,166,977</u>
Total liabilities and net assets	<u>\$ 20,920,827</u>

See accompanying notes and independent auditors' report

HARVESTER CHRISTIAN CHURCH, INC.
STATEMENT OF ACTIVITIES

For the year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
General fund income	\$ 6,274,879	\$ -	\$ -	\$ 6,274,879
Designated contributions	-	326,814	-	326,814
Interest income	2,099	-	-	2,099
Other income	2,653	-	-	2,653
Non-cash contributions	619,425	-	-	619,425
Total support and revenue	6,899,056	326,814	-	7,225,870
Net assets released from restrictions	423,142	(423,142)	-	-
Total	7,322,198	(96,328)	-	7,225,870
Operating expenses:				
Administration	383,788	-	-	383,788
Facilities	334,313	-	-	334,313
Payroll	2,636,319	-	-	2,636,319
Staff expense	510,202	-	-	510,202
Interest expense	343,051	-	-	343,051
Repair and maintenance	9,528	-	-	9,528
Ministry	673,085	-	-	673,085
Missions	498,125	-	-	498,125
Depreciation	506,569	-	-	506,569
Non-cash expense	619,425	-	-	619,425
Total operating expenses	6,514,405	-	-	6,514,405
Other expenses:				
Cannonball	33,301	-	-	33,301
Total other expenses	33,301	-	-	33,301
Total expenses	6,547,706	-	-	6,547,706
Change in net assets	774,492	(96,328)	-	678,164
Net assets, beginning of year	7,269,735	179,078	40,000	7,488,813
Net assets, end of year	\$ 8,044,227	\$ 82,750	\$ 40,000	\$ 8,166,977

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See accompanying notes and independent auditors' report

HARVESTER CHRISTIAN CHURCH
STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 678,164
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation	506,569
Changes in assets and liabilities:	
(Increase) decrease in prepaid expenses	4,660
(Increase) decrease in other assets	(280)
(Increase) decrease in promissory note	11,560
Increase (decrease) in accounts payable	28,963
Increase (decrease) in construction payable	(77,165)
Increase (decrease) in salaries payable	8,129
Increase (decrease) in credit cards payable	(51,334)
Increase (decrease) in other current liabilities	1,100
Net cash provided by (used in) operating activities	<u>1,110,366</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of certificate of deposit	(707)
Purchases of property and equipment	<u>(7,420,281)</u>
Net cash provided by (used in) investing activities	<u>(7,420,988)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowing	<u>5,945,063</u>
Net cash provided by (used in) financing activities	<u>5,945,063</u>
Net increase (decrease) in cash and cash equivalents	(365,559)
Cash and cash equivalents, beginning of year	<u>652,038</u>
Cash and cash equivalents, end of year	<u>\$ 286,479</u>
SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid during the year for interest	<u>\$ 343,051</u>

See accompanying notes and independent auditors' report

HARVESTER CHRISTIAN CHURCH, INC.
SUPPLEMENTAL STATEMENT OF ACTIVITIES - BY CAMPUS

For the year ended December 31, 2015

	<u>Saint Charles</u>	<u>Troy</u>	<u>Total</u>
Support and revenue:			
General fund income	\$ 6,075,780	\$ 199,099	\$ 6,274,879
Designated contributions	301,791	25,023	326,814
Interest income	2,099	-	2,099
Other income	1,776	877	2,653
Non-cash contributions	618,125	1,300	619,425
Total support and revenue	<u>6,999,571</u>	<u>226,299</u>	<u>7,225,870</u>
Operating expenses:			
Administration	374,950	8,838	383,788
Facilities	241,548	92,765	334,313
Payroll	2,538,388	97,931	2,636,319
Staff expense	495,409	14,793	510,202
Interest expense	343,051	-	343,051
Repair and maintenance	9,528	-	9,528
Ministry	624,897	48,188	673,085
Missions	498,125	-	498,125
Depreciation	506,569	-	506,569
Non-cash expense	618,125	1,300	619,425
Total operating expenses	<u>6,250,590</u>	<u>263,815</u>	<u>6,514,405</u>
Other expenses:			
Cannonball	33,301	-	33,301
Total other expenses	<u>33,301</u>	<u>-</u>	<u>33,301</u>
Total expenses	<u>6,283,891</u>	<u>263,815</u>	<u>6,547,706</u>
Change in net assets	<u>\$ 715,680</u>	<u>\$ (37,516)</u>	<u>\$ 678,164</u>

See accompanying notes and independent auditors' report