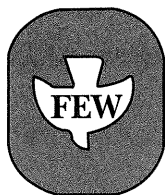


**HARVESTER CHRISTIAN CHURCH, INC.**

**FINANCIAL STATEMENTS**

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For the Nine Months Ended December 31, 2013



# ***Fick, Eggmeyer & 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 nonprofit corporation) which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the nine months 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 from the financial statements.

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

HARVESTER CHRISTIAN CHURCH, INC.  
STATEMENT OF FINANCIAL POSITION

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December 31, 2013

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 845,022
Investments - note 10	347,683
Prepaid expenses	13,353
Total current assets	1,206,058
PROPERTY AND EQUIPMENT	
Land	1,167,138
Land improvements	660,236
Buildings and improvements	12,451,488
Leasehold improvements	275,252
Furniture and equipment	1,196,288
Vehicles	27,955
Less: accumulated depreciation	(4,773,872)
Total property and equipment	11,004,485
NONCURRENT ASSETS	
Promissory notes - note 8	41,088
Total noncurrent assets	41,088
Total assets	\$ 12,251,631
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 55,815
Deffered revenue	8,180
Salaries payable	102,737
Payroll taxes payable	18,952
Current maturities of long-term debt - note 2	318,884
Total current liabilities	504,568
LONG-TERM DEBT, less current maturities - note 2	5,154,064
Total liabilities	5,658,632
NET ASSETS	
Unrestricted	6,377,498
Temporarily restricted	175,501
Permanently restricted	40,000
Total net assets	6,592,999
Total liabilities and net assets	\$ 12,251,631

See accompanying notes and independent auditors' report

HARVESTER CHRISTIAN CHURCH, INC.  
STATEMENT OF ACTIVITIES

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For the nine months ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
General fund income	\$ 4,410,573	\$ -	\$ -	\$ 4,410,573
Designated contributions	-	319,987	-	319,987
Interest income	8,943	-	-	8,943
Other designated income	-	17,462	-	17,462
Non-cash contributions	282,853	-	-	282,853
Total support and revenue	4,702,369	337,449	-	5,039,818
Net assets released from restrictions	399,405	(399,405)	-	-
Total	5,101,774	(61,956)	-	5,039,818
Operating expenses:				
Administration	243,767	-	-	243,767
Facilities	231,199	-	-	231,199
Payroll	1,777,712	-	-	1,777,712
Staff expense	276,973	-	-	276,973
Interest expense	222,152	-	-	222,152
Repair and maintenance	25,411	-	-	25,411
Ministry	563,734	-	-	563,734
Connection support	67,372	-	-	67,372
Missions	415,431	-	-	415,431
Depreciation	336,235	-	-	336,235
Non-cash expense	282,853	-	-	282,853
Total operating expenses	4,442,839	-	-	4,442,839
Other expenses:				
Cannonball	94,051	-	-	94,051
Total other expenses	94,051	-	-	94,051
Total expenses	4,536,890	-	-	4,536,890
Change in net assets	564,884	(61,956)	-	502,928
Net assets, beginning of year	5,812,614	237,457	40,000	6,090,071
Net assets, end of year	<u>\$ 6,377,498</u>	<u>\$ 175,501</u>	<u>\$ 40,000</u>	<u>\$ 6,592,999</u>

See accompanying notes and independent auditors' report

HARVESTER CHRISTIAN CHURCH  
STATEMENT OF CASH FLOWS

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For the nine months ended December 31, 2013

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 502,928
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation	336,235
Changes in assets and liabilities:	
(Increase) decrease in prepaid expenses	32,090
(Increase) decrease in promissory note	9,951
Increase (decrease) in accounts payable	(298,283)
Increase (decrease) in deferred revenue	8,180
Increase (decrease) in salaries payable	66,753
Increase (decrease) in payroll taxes payable	13,447
Net cash provided by (used in) operating activities	671,301
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(347,683)
Purchases of property and equipment	(804,925)
Net cash provided by (used in) investing activities	(1,152,608)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on long-term debt	(175,892)
Proceeds from borrowing	229,835
Net cash provided by (used in) financing activities	53,943
Net increase (decrease) in cash and cash equivalents	(427,364)
Cash and cash equivalents, beginning of year	1,272,386
Cash and cash equivalents, end of year	\$ 845,022
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>	
Cash paid during the year for interest	\$ 222,152

See accompanying notes and independent auditors' report

## 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, 2013, and the changes in its net assets and its cash flows for the nine months 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 10 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, CPA's

St. Louis, Missouri

April 30, 2014

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

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For the nine months ended December 31, 2013

	<u>Central</u>	<u>Troy</u>	<u>Total</u>
Support and revenue:			
General fund income	\$ 4,275,561	\$ 135,012	\$ 4,410,573
Designated contributions	319,987	-	319,987
Interest income	8,943	-	8,943
Other designated income	16,123	1,339	17,462
Non-cash contributions	282,853	-	282,853
	<hr/>	<hr/>	<hr/>
Total support and revenue	4,903,467	136,351	5,039,818
Operating expenses:			
Administration	237,353	6,414	243,767
Facilities	162,421	68,778	231,199
Payroll	1,677,638	100,074	1,777,712
Staff expense	257,757	19,216	276,973
Interest expense	208,607	13,545	222,152
Repair and maintenance	22,411	3,000	25,411
Ministry	549,789	13,945	563,734
Connection support	67,372	-	67,372
Missions	415,431	-	415,431
Depreciation	336,235	-	336,235
Non-cash expense	282,853	-	282,853
	<hr/>	<hr/>	<hr/>
Total operating expenses	4,217,867	224,972	4,442,839
Other expenses:			
Cannonball	94,051	-	94,051
	<hr/>	<hr/>	<hr/>
Total other expenses	94,051	-	94,051
Total expenses	<hr/>	<hr/>	<hr/>
	4,311,918	224,972	4,536,890
Change in net assets	<hr/>	<hr/>	<hr/>
	591,549	(88,621)	502,928

See accompanying notes and independent auditors' report