

FINANCIAL INTELLIGENCE FOR CHURCHES



*A Guide to Understanding
Financial Statements*

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*****INTRODUCTION*****

Financial Statements are an important management tool. When correctly prepared and properly interpreted, they contribute to an understanding of the current financial condition, problems and possibilities of an organization.

This explanation has been prepared to help financial and non-financial managers make better use of the information in financial statements.

Specifically, this brochure describes three financial statements:

The **Statement of Financial Position** which is sometimes referred to the Balance Sheet.

The **Statement of Activities** which is sometimes referred to as the Income Statement, Statement of Operations or the Profit and Loss Statement.

The **Statement of Cash Flows**.

These statements are prepared and presented using technical terms and rules that are becoming increasingly complex. Interpretation of these statements may be a formidable challenge to many managers.

We firmly believe that – no matter how technically correct they are – financial statements are not useful unless they are actually used in making business decisions. When the statements “gather dust” because managers do not understand what they are saying, we feel an obligation to help. We hope this guide to ***Financial Intelligence for Churches*** will help you to use financial statements in making decisions, monitoring your business and planning for future growth.



*****OVERVIEW: STATEMENT OF FINANCIAL POSITION*****

The Statement of Financial Position or The Balance Sheet is so named because it represents the following equation:

At any point in time this basic equation holds although the amounts assigned to the individual elements will fluctuate.

Assets increase or decrease as resources are obtained, disposed of, become more or less valuable or are used up (expensed) in the course of operations.

Liabilities increase or decrease as obligations to suppliers, lenders and other creditors are incurred or repaid. In some cases, the amounts of liabilities need to be estimated (referred to as "accruals") and are subject to adjustment (upward or downward) in later periods. In limited circumstances, recorded liabilities are contingent upon the occurrence of future events, and may not be paid in part or full.

Net Assets increases or decreases as a result of income or loss from operations of the organization.

*****THE STATEMENT OF FINANCIAL POSITION IN GREATER DETAIL*****

Current Assets are those assets of an organization which are reasonably expected to be realized in cash, sold or consumed during the normal operating cycle of the organization or one year, if less. These assets generally include **cash and cash equivalents** such as money market accounts, certain **investments in debt and marketable equity securities**, **accounts receivable**, **inventories** and certain **prepaid expenses** such as insurance.

Property and Equipment are assets of a durable nature and a relatively long life that are used in regular operations of the organization.

Accumulated Depreciation is the aggregate of charges to expense or to write off the cost of property and equipment over its estimated useful life. It is the result of a bookkeeping entry and does not represent any current cash outlay.

Other Assets consists of: new construction, finance costs of construction loans, utility deposits; assets, such as the cash surrender value of life insurance; and prepaid expenses, including unexpired multi-year insurance premiums.

Current Liabilities are those obligations that are reasonably expected to be paid using current assets. These liabilities generally include **notes payable**, **current maturities of long-term debt**, **accounts payable** and **accrued expenses** such as salaries and interest.

Long-term Debt is debt less current maturities and includes those obligations that are not expected to be paid within one year. Bonds and mortgages are common long-term liabilities.



*****OVERVIEW: THE STATEMENT OF ACTIVITIES*****

The Statement of Activities or the Income Statement is a summary of revenues and expenses, the latter usually broken down or summarized by major categories.

Income from operations is an important measure of the organization's performance, since it represents the income earned or loss incurred from the core operations of the organization, before considering certain financial costs, other non-operating items and extraordinary gains or losses.

Other income and expense include financial costs (interest expense) and other items that are not directly related to the primary purposes of the organization.

	Revenue
-	Cost of Goods Sold
	<hr/>
=	Gross profit (or gross margin)
-	Expenses
	<hr/>
=	Income from operations
+/-	Other income and expense
	<hr/>
=	Net Surplus or Deficit
	<hr/>

*****THE STATEMENT OF ACTIVITIES IN GREATER DETAIL*****

Revenue results when an organization receives contributions such as tithes, offerings, missions, building funds, auxiliary funds or designated offerings. There are three different classifications of Revenue: Unrestricted Revenue – which is freewill offerings. Temporary Restricted Revenue – which is money designated for a specific purpose. Permanently Restricted Revenue – which is money designated as unspendable money and only the interest is spendable.

Costs of Goods Sold represents the cost of producing goods for sale. For example, costs of goods sold such as Books and CDs are comprised of direct labor, materials and overhead.

Gross Profit is a measure of the profit from the sales of products and revenue before considering expenses.

Expenses are costs associated with the operation and management of the church, other than those charged to cost of goods sold.

Other Income and Expense arise from transactions not related directly to the primary operations of the church. Items frequently reported in this non-operating category are interest income, rental income and certain gains or losses from sale or assets.

Net Surplus or Deficit is the “bottom line” measure of the earnings performance of the organization for the period reported on, after considering all elements of income and expense.



*****OVERVIEW: THE STATEMENT OF CASH FLOWS*****

The Statement of Cash Flows reports the sources and uses of cash for the period, as separated into three major classifications.

Operations include the cash effects of essentially all items, identified in the Income statement, such as revenue, costs of sales, operating expenses and extraordinary items.

Investing activities include the purchase of property and equipment or the proceeds from their disposition, and also certain transactions involving investments in securities or other non-operating assets.

Financing activities include debt borrowing and repayments.

<i>Cash provided by or used for</i>
<i>operations</i>
<i>+/- Cash provided by or used for</i>
<i>Investing activities</i>
<i>+/- Cash provided by or used for</i>
<i>Financing activities</i>
<hr/>
<hr/>
= Net Increase or Decrease in Cash
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*****THE STATEMENT OF CASH FLOWS IN GREATER DETAIL*****

Operating Activities include all transactions and other events that are the result of providing ministry services.

Cash inflows from operating activities include cash receipts from the sale of goods and from interest and dividend income. Cash outflows for operating activities include cash payments for the purchase of inventory, wages and benefits to employees, to government taxing bodies, as interest to lending institutions and to various other suppliers.

Investing Activities include acquiring and selling investment securities, and acquiring and selling productive assets such as land and equipment.

Cash inflows from investing activities include receipts from sales of assets such as property and equipment. Cash outflows for payments to acquire assets such as property and equipment.

Financing Activities include obtaining resources from lenders and repaying amounts borrowed. Interest on borrowing, however is an operating activity.

Cash inflows from financing activities include long and short term borrowings.

The form of the cash flow statement is the so-called "indirect method" favored by most churches. Under that approach, the Cash provided by (used for) Operating Activities section will list each major source or use of cash which corresponds to major captions in the statement of activities.



Ratios to Measure Safety and Liquidity

1. Net working capital

	Example*
Current assets (Statement of Financial Position)	\$126,549.34
<u>-Current liabilities (Statement of Financial Position)</u>	<u>- 33,150.75</u>
	<u>\$ 93,398.59</u>

A measure of the shorter-term, more liquid assets available to meet short-term obligations and serve as a cushion against unforeseen needs for resources.

2. Current ratio

Ratio	Example*
<u>Current assets (Statement of Financial Position)</u>	<u>\$126,549.34</u>
<u>Current liabilities (Statement of Financial Position)</u>	<u>\$ 33,150.75 = 3.82 : 1</u>

Another measure of the ability to pay current liabilities as they mature. A ratio of 1:1 or greater corresponds to positive net working capital.

3. Liabilities to equity ratio**

Ratio	Example*
<u>Total liabilities (Statement of Financial Position)</u>	<u>\$1,090,961.61</u>
<u>Net Assets (Statement of Financial Position)</u>	<u>\$ 694,710.14 = 1.57 : 1</u>

Indicates the mix of funding provided by owners (common and preferred stockholders) and creditors. The greater the number, the "more leveraged" is the company.

4. Times interest earned

Ratio	Example*
<u>Income before interest and taxes (Statement of Activities)</u>	<u>\$95,440.47 + 51,039.46</u>
<u>Interest expense (Statement of Activities)</u>	<u>\$ 51,039.46 = 2.87 Times</u>

Measures the ability of a company to cover the payment of interest to creditors.

5. Debt service ratio

Ratio	Example*
<u>Income before interest and taxes (Statement of Activities)</u>	<u>\$95,440.47 + 51,039.46 = 146,479.93</u>
<u>Interest expense plus amounts of scheduled debt repayments (Income Statement and Statement of Cash Flows)</u>	<u>51,039.46 + 14,468.05 = 65,507.51</u>
	2.24 Times

Measures the company's ability to pay both the interest and the current principal installments on its outstanding debt and suggests the degree of safety for creditors concerning currently due debt service obligations.

6. Return on Assets

Ratio	Example*
<u>Net income (Statement of Activities)</u>	<u>\$ 44,401.01</u>
<u>Total assets (Statement of Financial Position)</u>	<u>\$1,785,671.75 = 3%</u>

Measures the annual percentage yield on the gross investment in the business financed collectively by the owners and creditors. The relationship between the returns on assets and on equity is indicative of the effect of the business's financial leverage – if the leverage is positive, the return on equity will be greater than the return on assets. Businesses that perform in this manner make effective use of debt financing to increase returns to their stockholders.

GOOD NEWS CHURCH
STATEMENT OF FINANCIAL POSITION
July 31, 2012

ASSETS

Current Assets

Cash & Equivalents	\$ 110,684.67
Prepaid Payroll	<u>15,864.67</u>

Total Current Assets

\$ 126,549.34

Property and Equipment

Buildings	2,142,968.21
Land	44,508.66
Furniture & Fixtures	44,701.78
Office Equipment	2,037.94
Audio & Visual Equipment	36,760.38
Kitchen Equipment	4,487.80
Computers & Data Processing Equipment	2,940.99
Transportation Equipment	45,825.03
Musical Equipment	16,410.97
Other Assets	13,889.05
Accumulated Depreciation	<u>(695,408.40)</u>

Total Property and Equipment

\$ 1,659,122.41

Total

\$ 1,785,671.75

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	599.98
Taxes Payable	1,601.98
Notes Payable-Cornerstone	24,544.86
Notes Payable-Tennessee Valley	<u>6,403.93</u>

Total Current Liabilities

33,150.75

Long Term Liabilities

Notes Payable-Cornerstone	<u>1,057,810.86</u>
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Total Long Term Liabilities

1,057,810.86

Total Liabilities

\$ 1,090,961.61

Net Assets

Net Assets Beginning of Year	650,309.13
Net Assets Unrestricted	<u>44,401.01</u>

Total Net Assets

\$ 694,710.14

Total

\$ 1,785,671.75

GOOD NEWS CHURCH

Supporting Schedules

July 31, 2012

Schedule of Cash & Equivalents

Cash in Cornerstone Bank-General	\$ 493.07
Cash in Cornerstone Bank-Bld Fund	109,922.60
Cash in TVFCU-Checking	50.00
Cash in TVFCU-Savings	19.00
Cash on Hand	<u>200.00</u>

Total Cash & Equivalents		<u><u>\$ 110,684.67</u></u>
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Schedule of Accounts Payable

Accounts Payable-Suntrust	<u>\$ 599.98</u>
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Total Accounts Payable		<u><u>\$ 599.98</u></u>
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Schedule of Taxes Payable

Federal Withholding Taxes	\$ 1,206.53
Fica Withholding Taxes	<u>395.45</u>

Total Taxes Payable		<u><u>\$ 1,601.98</u></u>
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GOOD NEWS CHURCH
STATEMENT OF ACTIVITIES
For Month Ending July 31, 2012

	<u>Current Period</u>	<u>Year to Date</u>	<u>M-T-D %</u>	<u>Y-T-D %</u>
Revenue				
Donations	\$ 31,794.44	\$ 221,321.48	89.6	98.0
Miscellaneous	<u>3,696.26</u>	<u>4,528.13</u>	<u>10.4</u>	<u>2.0</u>
Total Revenue	<u>\$ 35,490.70</u>	<u>\$ 225,849.61</u>	<u>100.0</u>	<u>100.0</u>
Gross Profit	<u>\$ 35,490.70</u>	<u>\$ 225,849.61</u>	<u>100.0</u>	<u>100.0</u>
Wages & Benefits-Ministry				
Salaries & Wages-Ministry	4,000.11	28,000.77	11.3	12.4
Housing & Rental Allowance	3,415.75	23,910.25	9.6	10.6
Insurance-Life	263.00	1,623.65	0.7	0.7
Pension & Retirement	<u>200.00</u>	<u>1,400.00</u>	<u>0.6</u>	<u>0.6</u>
Total Wages & Benefits-Minis	<u>\$ 7,878.86</u>	<u>\$ 54,934.67</u>	<u>22.2</u>	<u>24.3</u>
Administrative & General				
Accounting	396.00	2,327.00	1.1	1.0
Auto & Transportation	461.47	2,918.65	1.3	1.3
Bank Service Charges	6.00	28.61	0.0	0.0
Casual Labor	1,821.39	1,821.39	5.1	0.8
Insurance-Medical	1,829.90	6,404.65	5.2	2.8
Leasing Equipment	205.85	1,616.36	0.6	0.7
Maintenance & Repairs-Equipmen	0.00	1,400.00	0.0	0.6
Office Supplies	356.40	1,031.54	1.0	0.5
Payroll Tax Expense	227.46	1,508.98	0.6	0.7
Salaries & Wages-Office	<u>1,040.00</u>	<u>6,992.00</u>	<u>2.9</u>	<u>3.1</u>
Total Administrative & Gener	<u>\$ 6,344.47</u>	<u>\$ 26,049.18</u>	<u>17.9</u>	<u>11.5</u>
Occupancy				
Insurance-Liability	0.00	3,973.00	0.0	1.8
Interest	6,845.10	51,039.16	19.3	22.6
Maintenance & Repairs-Building	1,043.00	4,253.00	2.9	1.9
Outside Services	157.40	1,139.36	0.4	0.5
Security	85.50	472.50	0.2	0.2
Utilities	<u>1,837.79</u>	<u>9,256.42</u>	<u>5.2</u>	<u>4.1</u>
Total Occupancy	<u>\$ 9,968.79</u>	<u>\$ 70,133.44</u>	<u>28.1</u>	<u>31.1</u>

GOOD NEWS CHURCH
STATEMENT OF ACTIVITIES
For Month Ending July 31, 2012

	Current Period	Year to Date	M-T-D %	Y-T-D %
Christian Education				
Books & Tapes	\$ 152.44	\$ 760.70	0.4	0.3
Total Christian Education	<u>\$ 152.44</u>	<u>\$ 760.70</u>	<u>0.4</u>	<u>0.3</u>
Missions & Outreach				
Benevolence	500.00	2,071.18	1.4	0.9
Donations	0.00	150.00	0.0	0.1
Fellowship Activities	1,145.00	2,121.73	3.2	0.9
Flowers & Gifts	127.75	630.75	0.4	0.3
Honorariums & Love Offerings	350.00	2,350.00	1.0	1.0
Missions & Outreach	50.00	150.00	0.1	0.1
VBS Expenses	0.00	600.00	0.0	0.3
Total Missions & Outreach	<u>\$ 2,172.75</u>	<u>\$ 8,073.66</u>	<u>6.1</u>	<u>3.6</u>
Program Services				
Conference Registration	0.00	2,261.56	0.0	1.0
Insurance-Auto	0.00	299.50	0.0	0.1
Kitchen Committee	265.97	265.97	0.7	0.1
Marriage Ministry	0.00	2,341.34	0.0	1.0
Mother's Board	50.00	350.00	0.1	0.2
Music Department	0.00	460.00	0.0	0.2
Pastor's Support	500.00	500.00	1.4	0.2
Postage & Shipping	16.35	167.15	0.0	0.1
Salaries & Wages-Musicians	1,933.33	12,733.31	5.4	5.6
Seminars & Education	0.00	300.00	0.0	0.1
Sunday School	0.00	314.96	0.0	0.1
Supplies	261.19	3,062.82	0.7	1.4
Telephone	446.57	3,110.81	1.3	1.4
Travel, Meals & Lodging-Staff	0.00	95.55	0.0	0.0
Youth Ministry	115.00	1,187.00	0.3	0.5
Total Program Services	<u>\$ 3,588.41</u>	<u>\$ 27,449.97</u>	<u>10.1</u>	<u>12.2</u>
Total Operating Expenses	<u>\$ 30,105.72</u>	<u>\$ 187,401.62</u>	<u>84.8</u>	<u>83.0</u>
Operating Surplus or (Deficit	<u>\$ 5,384.98</u>	<u>\$ 38,447.99</u>	<u>15.2</u>	<u>17.0</u>
Other Income				
Other Income	849.53	5,953.02	2.4	2.6
Total Other Income	<u>\$ 849.53</u>	<u>\$ 5,953.02</u>	<u>2.4</u>	<u>2.6</u>
Total Other Income (Expenses	<u>\$ 849.53</u>	<u>\$ 5,953.02</u>	<u>2.4</u>	<u>2.6</u>
Increase (Decrease) In Net Assets	<u>\$ 6,234.51</u>	<u>\$ 44,401.01</u>	<u>17.6</u>	<u>19.7</u>

GOOD NEWS CHURCH
Supporting Schedules
For Month Ending July 31, 2012

	Current Period	Year to Date	M-T-D %	Y-T-D %
Schedule of Donations				
Tithes	\$ 20,218.78	\$ 164,881.81	57.0	73.0
Offerings	155.00	155.00	0.4	0.1
Marriage Ministry	0.00	2,160.00	0.0	1.0
Pastor Offering	1,859.00	2,037.00	5.2	0.9
Church Anniversary	232.00	1,051.00	0.7	0.5
Helping Hands	138.00	209.00	0.4	0.1
Janitorial	0.00	10.00	0.0	0.0
Building Fund	3,080.00	12,867.00	8.7	5.7
Sunday School	1,646.68	7,312.63	4.6	3.2
Designated General Funds	300.00	4,419.15	0.8	2.0
Girls 2 Women	125.00	125.00	0.4	0.1
Children's Ministry	3.00	3.00	0.0	0.0
Women's Ministry	0.00	480.00	0.0	0.2
Youth Ministry	58.00	772.00	0.2	0.3
Missions & Outreach	702.62	4,012.62	2.0	1.8
Auxiliary Day	0.00	170.00	0.0	0.1
Free-Will	2,791.00	15,754.41	7.9	7.0
Project Pavement	465.36	4,781.86	1.3	2.1
Church Bus/Van	20.00	120.00	0.1	0.1
Total Donations	<u>\$ 31,794.44</u>	<u>\$ 221,321.48</u>	<u>89.6</u>	<u>98.0</u>
Schedule of Other Income				
Rental	\$ 800.00	\$ 5,600.00	2.3	2.5
Interest	49.53	353.02	0.1	0.2
Total Other Income	<u>\$ 849.53</u>	<u>\$ 5,953.02</u>	<u>2.4</u>	<u>2.6</u>

GOOD NEWS CHURCH
STATEMENT OF ACTIVITIES
For Month Ending July 31, 2012

	<u>Current Period Actual</u>	<u>Current Period Budget</u>	<u>Variance</u>	<u>Year to-Date Actual</u>	<u>Year to-Date Budget</u>	<u>Variance</u>
Revenue						
Donations	\$ 31,794.44	\$ 28,788.66	\$ 3,005.78	\$ 221,321.48	\$ 201,520.62	\$ 19,800.86
Miscellaneous	3,696.26	0.00	3,696.26	4,528.13	0.00	4,528.13
Total Revenue	<u>\$ 35,490.70</u>	<u>\$ 28,788.66</u>	<u>\$ 6,702.04</u>	<u>\$ 225,849.61</u>	<u>\$ 201,520.62</u>	<u>\$ 24,328.99</u>
Gross Profit	<u>\$ 35,490.70</u>	<u>\$ 28,788.66</u>	<u>\$ 6,702.04</u>	<u>\$ 225,849.61</u>	<u>\$ 201,520.62</u>	<u>\$ 24,328.99</u>
Wages & Benefits-Ministry						
Salaries & Wages-Mi	4,000.11	4,584.33	(584.22)	28,000.77	32,090.31	(4,089.54)
Housing & Rental All	3,415.75	3,751.75	(336.00)	23,910.25	26,262.25	(2,352.00)
Insurance-Life	263.00	45.67	217.33	1,623.65	319.69	1,303.96
Pension & Retirement	200.00	857.00	(657.00)	1,400.00	5,999.00	(4,599.00)
Total Wages & Be	<u>\$ 7,878.86</u>	<u>\$ 9,238.75</u>	<u>\$(1,359.89)</u>	<u>\$ 54,934.67</u>	<u>\$ 64,671.25</u>	<u>\$(9,736.58)</u>
Administrative & General						
Accounting	396.00	400.00	(4.00)	2,327.00	2,800.00	(473.00)
Auto & Transportatio	461.47	462.67	(1.20)	2,918.65	3,238.69	(320.04)
Bank Service Charges	6.00	7.08	(1.08)	28.61	49.56	(20.95)
Casual Labor	1,821.39	0.00	1,821.39	1,821.39	0.00	1,821.39
Insurance-General	0.00	344.50	(344.50)	0.00	2,411.50	(2,411.50)
Insurance-Medical	1,829.90	195.25	1,634.65	6,404.65	1,366.75	5,037.90
Leasing Equipment	205.85	248.17	(42.32)	1,616.36	1,737.19	(120.83)
Licenses & Permits	0.00	46.67	(46.67)	0.00	326.69	(326.69)
Maintenance & Repai	0.00	134.17	(134.17)	1,400.00	939.19	460.81
Office Supplies	356.40	132.75	223.65	1,031.54	929.25	102.29
Payroll Tax Expense	227.46	319.33	(91.87)	1,508.98	2,235.31	(726.33)
Salaries & Wages-Off	1,040.00	936.92	103.08	6,992.00	6,558.44	433.56
Total Administrati	<u>\$ 6,344.47</u>	<u>\$ 3,227.51</u>	<u>\$ 3,116.96</u>	<u>\$ 26,049.18</u>	<u>\$ 22,592.57</u>	<u>\$ 3,456.61</u>
Occupancy						
Cleaning & Supplies	0.00	7.67	(7.67)	0.00	53.69	(53.69)
Insurance-Liability	0.00	0.00	0.00	3,973.00	0.00	3,973.00
Interest	6,845.10	7,008.50	(163.40)	51,039.16	49,059.50	1,979.66
Maintenance & Repai	1,043.00	66.83	976.17	4,253.00	467.81	3,785.19
Outside Services	157.40	212.58	(55.18)	1,139.36	1,488.06	(348.70)
Security	85.50	63.50	22.00	472.50	444.50	28.00
Utilities	1,837.79	1,403.83	433.96	9,256.42	9,826.81	(570.39)
Total Occupancy	<u>\$ 9,968.79</u>	<u>\$ 8,762.91</u>	<u>\$ 1,205.88</u>	<u>\$ 70,133.44</u>	<u>\$ 61,340.37</u>	<u>\$ 8,793.07</u>

GOOD NEWS CHURCH
STATEMENT OF ACTIVITIES
For Month Ending July 31, 2012

	<u>Current Period Actual</u>	<u>Current Period Budget</u>	<u>Variance</u>	<u>Year to-Date Actual</u>	<u>Year to-Date Budget</u>	<u>Variance</u>
Christian Education						
Books & Tapes	\$ 152.44	\$ 29.75	\$ 122.69	\$ 760.70	\$ 208.25	\$ 552.45
Total Christian Ed	<u>\$ 152.44</u>	<u>\$ 29.75</u>	<u>\$ 122.69</u>	<u>\$ 760.70</u>	<u>\$ 208.25</u>	<u>\$ 552.45</u>
Missions & Outreach						
Benevolence	500.00	93.17	406.83	2,071.18	652.19	1,418.99
Donations	0.00	200.75	(200.75)	150.00	1,405.25	(1,255.25)
Fellowship Activities	1,145.00	1,036.42	108.58	2,121.73	7,254.94	(5,133.21)
Flowers & Gifts	127.75	82.08	45.67	630.75	574.56	56.19
Honorariums & Love	350.00	308.33	41.67	2,350.00	2,158.31	191.69
Internet Services	0.00	64.00	(64.00)	0.00	448.00	(448.00)
Missions & Outreach	50.00	48.33	1.67	150.00	338.31	(188.31)
VBS Expenses	0.00	0.00	0.00	600.00	0.00	600.00
Total Missions &	<u>\$ 2,172.75</u>	<u>\$ 1,833.08</u>	<u>\$ 339.67</u>	<u>\$ 8,073.66</u>	<u>\$ 12,831.56</u>	<u>\$(4,757.90)</u>
Program Services						
Advertising	0.00	8.33	(8.33)	0.00	58.31	(58.31)
Auxilliary Committe	0.00	6.25	(6.25)	0.00	43.75	(43.75)
Conference Registrati	0.00	206.25	(206.25)	2,261.56	1,443.75	817.81
Dry Cleaning	0.00	20.00	(20.00)	0.00	140.00	(140.00)
Helping Hands	0.00	145.17	(145.17)	0.00	1,016.19	(1,016.19)
Insurance-Auto	0.00	308.08	(308.08)	299.50	2,156.56	(1,857.06)
Kitchen Committee	265.97	16.67	249.30	265.97	116.69	149.28
Marriage Ministry	0.00	0.00	0.00	2,341.34	0.00	2,341.34
Mother's Board	50.00	18.25	31.75	350.00	127.75	222.25
Music Department	0.00	4.17	(4.17)	460.00	29.19	430.81
Pastor's Support	500.00	0.00	500.00	500.00	0.00	500.00
Postage & Shipping	16.35	18.33	(1.98)	167.15	128.31	38.84
Salaries & Wages-Mu	1,933.33	1,956.92	(23.59)	12,733.31	13,698.44	(965.13)
Seminars & Educatio	0.00	0.00	0.00	300.00	0.00	300.00
Sound Staff	0.00	76.50	(76.50)	0.00	535.50	(535.50)
Sunday School	0.00	174.42	(174.42)	314.96	1,220.94	(905.98)
Supplies	261.19	235.50	25.69	3,062.82	1,648.50	1,414.32
Telephone	446.57	373.08	73.49	3,110.81	2,611.56	499.25
Travel, Meals & Lodg	0.00	146.08	(146.08)	95.55	1,022.56	(927.01)
Travel, Meals & Lodg	0.00	21.75	(21.75)	0.00	152.25	(152.25)
Weddings	0.00	20.83	(20.83)	0.00	145.81	(145.81)
Women's Ministry	0.00	4.17	(4.17)	0.00	29.19	(29.19)
Youth Ministry	115.00	177.42	(62.42)	1,187.00	1,241.94	(54.94)
Total Program Ser	<u>\$ 3,588.41</u>	<u>\$ 3,938.17</u>	<u>\$(349.76)</u>	<u>\$ 27,449.97</u>	<u>\$ 27,567.19</u>	<u>\$(117.22)</u>
Total Operating Expen	<u>\$ 30,105.72</u>	<u>\$ 27,030.17</u>	<u>\$ 3,075.55</u>	<u>\$ 187,401.62</u>	<u>\$ 189,211.19</u>	<u>\$(1,809.57)</u>
Operating Surplus	<u>\$ 5,384.98</u>	<u>\$ 1,758.49</u>	<u>\$ 3,626.49</u>	<u>\$ 38,447.99</u>	<u>\$ 12,309.43</u>	<u>\$ 26,138.56</u>

GOOD NEWS CHURCH
STATEMENT OF ACTIVITIES
For Month Ending July 31, 2012

	Current Period Actual	Current Period Budget	Variance	Year to-Date Actual	Year to-Date Budget	Variance
Other Income						
Other Income	\$ 849.53	\$ 800.00	\$ 49.53	\$ 5,953.02	\$ 5,600.00	\$ 353.02
Total Other Incom	\$ 849.53	\$ 800.00	\$ 49.53	\$ 5,953.02	\$ 5,600.00	\$ 353.02
Total Other Incom	\$ 849.53	\$ 800.00	\$ 49.53	\$ 5,953.02	\$ 5,600.00	\$ 353.02
Increase (Decrease) In	\$ 6,234.51	\$ 2,558.49	\$ 3,676.02	\$ 44,401.01	\$ 17,909.43	\$ 26,491.58

GOOD NEWS CHURCH
Supporting Schedules
For Month Ending July 31, 2012

	Current Period Actual	Current Period Budget	Variance	Year to-Date Actual	Year to-Date Budget	Variance
Schedule of Donations						
Tithes	\$ 20,218.78	\$ 17,904.58	\$ 2,314.20	\$ 164,881.81	\$ 125,332.06	\$ 39,549.75
Offerings	155.00	2,608.83	(2,453.83)	155.00	18,261.81	(18,106.81)
Benevolence	0.00	235.75	(235.75)	0.00	1,650.25	(1,650.25)
Marriage Ministry	0.00	0.00	0.00	2,160.00	0.00	2,160.00
Pastor Offering	1,859.00	270.42	1,588.58	2,037.00	1,892.94	144.06
Church Anniversary	232.00	0.00	232.00	1,051.00	0.00	1,051.00
Helping Hands	138.00	128.83	9.17	209.00	901.81	(692.81)
Janitorial	0.00	0.00	0.00	10.00	0.00	10.00
Building Fund	3,080.00	3,285.00	(205.00)	12,867.00	22,995.00	(10,128.00)
Sunday School	1,646.68	1,570.75	75.93	7,312.63	10,995.25	(3,682.62)
Designated General F	300.00	1,373.08	(1,073.08)	4,419.15	9,611.56	(5,192.41)
Girls 2 Women	125.00	0.00	125.00	125.00	0.00	125.00
Children's Ministry	3.00	0.00	3.00	3.00	0.00	3.00
Women's Ministry	0.00	0.00	0.00	480.00	0.00	480.00
Youth Ministry	58.00	0.00	58.00	772.00	0.00	772.00
Missions & Outreach	702.62	619.17	83.45	4,012.62	4,334.19	(321.57)
Auxiliary Day	0.00	677.42	(677.42)	170.00	4,741.94	(4,571.94)
Revival	0.00	114.83	(114.83)	0.00	803.81	(803.81)
Free-Will	2,791.00	0.00	2,791.00	15,754.41	0.00	15,754.41
Project Pavement	465.36	0.00	465.36	4,781.86	0.00	4,781.86
Church Bus/ Van	20.00	0.00	20.00	120.00	0.00	120.00
Total Donations	\$ 31,794.44	\$ 28,788.66	\$ 3,005.78	\$ 221,321.48	\$ 201,520.62	\$ 19,800.86
Schedule of Other Income						
Rental	\$ 800.00	\$ 800.00	\$ 0.00	\$ 5,600.00	\$ 5,600.00	\$ 0.00
Interest	49.53	0.00	49.53	353.02	0.00	353.02
Total Other Income	\$ 849.53	\$ 800.00	\$ 49.53	\$ 5,953.02	\$ 5,600.00	\$ 353.02

GOOD NEWS CHURCH
STATEMENT OF CASH FLOWS
July 31, 2012

	<u>Current Period</u>	<u>Year to Date</u>
Cash flows from operating activities:		
Net Surplus or (deficit)	\$ 6,234.51	\$ 44,401.01
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease in Accounts Receivable	0.00	150.00
Increase in Prepaid Expenses	(6,850.00)	(7,032.02)
Decrease in Accounts Payable	0.00	(88.77)
Increase in Taxes Payable	0.00	33.28
Decrease in Current Portion Long Term Debt	<u>(274.42)</u>	<u>(1,615.77)</u>
Net cash provided by operations	(889.91)	35,847.73
Cash flows from investing activities:		
Cash and equivalents Fixed Assets	<u>0.00</u>	<u>(1,222.52)</u>
Net cash used by investing activities	0.00	(1,222.52)
Cash flows from financing activities:		
Payment of Long Term Liabilities	<u>(2,508.41)</u>	<u>(14,468.05)</u>
Net cash used by financing activities	(2,508.41)	(14,468.05)
Net increase (decrease) in cash and equivalents	(3,398.32)	20,157.16
Cash and equivalents at beginning of period	<u>114,082.99</u>	<u>90,527.51</u>
Cash and equivalents at ending of period	<u>\$ 110,684.67</u>	<u>\$ 110,684.67</u>