

**THE GLOBAL MISSIONS DEPARTMENT OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH
AUDITED FINANCIAL STATEMENTS
For the year ended December 31, 2016
(With Comparative Totals for 2015)**



Church Accounting Management & Stewardship

John W. Spann Jr.
Certified Public Accountant

**THE GLOBAL MISSIONS DEPARTMENT OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**
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(With Comparative Totals for 2015)

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Report of Independent Auditors

**THE GLOBAL MISSIONS DEPARTMENT OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**
Charlotte, North Carolina

Report on the Financial Statements

We have audited the accompanying statements of THE GLOBAL MISSIONS DEPARTMENT OF THE of the African Methodist Episcopal Zion Church (GMD), which comprise statements of financial position as of December 31, 2016 and the related statements of activities, functional expenses 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 GMD'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 GMD'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 the GMD's as of December 31, 2016, and related statement of activities, functional expenses and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses by administration found on page 11 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.

A handwritten signature in black ink that reads "John W. Spann Jr. C.P.A." The signature is written in a cursive style with a large initial 'J'.

CAMS Ministries
John W. Spann Jr. C.P.A.
Charlotte, North Carolina
June 20, 2017

**DEPARTMENT OF GLOBAL MISSIONS OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Financial Position

As of December 31, 2016

(With Comparative Totals for 2015)

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 207,005	\$ 227,781
Total Current Assets	207,005	227,781
Property and Equipment, net	2,940	-
TOTAL ASSETS	\$ 209,945	\$ 227,781

LIABILITIES AND NET ASSETS

Net Assets		
Unrestricted	209,945	227,781
Total Net Assets	209,945	227,781
TOTAL LIABILITIES AND NET ASSETS	\$ 209,945	\$ 227,781

See notes to the financial statements

**DEPARTMENT OF GLOBAL MISSIONS OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Activities

Year Ended December 31, 2016

(With Comparative Totals for 2015)

	2016	2015
SUPPORT AND REVENUE		
AME Zion Connectional Budget Allocation	\$ 89,763	\$ 90,400
Women's Overseas and Home Mission Society Allocation	114,926	115,434
SEER's Subscriptions	119,832	126,313
Mission Day	30,234	28,678
Other Income	1,000	-
<i>TOTAL</i>	\$ 355,755	360,825
EXPENSES		
Program Services:		
Mt Vernon Mission Home and Charitable Contributions	\$ 33,858	\$ 19,378
SEER's Publication	39,459	31,384
Global Missions Disbursements	234,223	134,650
Support Services		
Management and General	66,052	74,409
<i>TOTAL</i>	\$ 373,592	\$ 259,821
<i>CHANGE IN NET ASSETS</i>	\$ (17,837)	\$ 101,004
<i>NET ASSETS, BEGINNING</i>	\$ 227,782	\$ 126,778
<i>NET ASSETS, ENDING</i>	\$ 209,945	\$ 227,782

The accompanying notes are an integral part of the financial statements.

**DEPARTMENT OF GLOBAL MISSIONS OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Functional Expenses

Year Ended December 31, 2016

(With Comparative Totals for 2015)

	Program Services			Total	Support Services		2015 Comparative Total
	Mt Vernon Mission Home	SEER's Publication	Global Missions Disbursements		Management and General	Total	
<u>PERSONNEL</u>							
Salaries	\$ -	\$ 4,284	\$ 34,275	\$ 38,559	\$ 4,284	\$ 42,843	\$ 34,655
Payroll Taxes	-	328	2,622	2,950	652	3,602	\$ 1,396
<i>Total</i>	-	4,612	36,897	41,509	4,936	46,445	36,051
<u>OTHER EXPENSES</u>							
Professional Fees	-	-	-	-	15,282	15,282	4,941
Mission Disbursements	-	-	114,995	114,995	-	114,995	110,576
Benefits & Allowances	-	-	12,794	12,794	-	12,794	-
Travel	-	-	37,264	37,264	191	37,455	8,198
Charitable and Benevolence	-	-	6,718	6,718	-	6,718	5,500
Publication cost	-	34,847	-	34,847	-	34,847	21,540
General Assessments	-	-	9,267	9,267	-	9,267	11,360
Utilities	8,443	-	-	8,443	-	8,443	19,378
Taxes	24,339	-	-	24,339	-	24,339	-
Meals	-	-	1,567	1,567	-	1,567	-
Telephone	1,076	-	-	1,076	1,522	2,598	-
Conferences, registrations and representations	-	-	3,593	3,593	-	3,593	9,170
Ads and Advertising	-	-	800	800	-	800	263
Copier Operating Lease	-	-	-	-	30,337	30,337	29,397
Bank Fees	-	-	-	-	501	501	231
Depreciation Expense	-	-	-	-	150	150	-
Literature	-	-	910	910	-	910	-
Information Technology	-	-	-	-	1,444	1,444	144
Postage (Non SEER)	-	-	-	-	789	789	202
Furniture and Other Supplies	-	-	7,784	7,784	-	7,784	-
Envelope and other office expense	-	-	1,634	1,634	7,307	8,941	1,287
Other	-	-	-	-	3,593	3,593	1,583
<i>Total</i>	33,858	34,847	197,326	266,031	61,116	327,147	223,770
TOTAL EXPENSES	\$ 33,858	\$ 39,459	\$ 234,223	\$ 307,540	\$ 66,052	\$ 373,592	\$ 259,821

The accompanying notes are an integral part of the financial statements.

**DEPARTMENT OF GLOBAL MISSIONS OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Cash Flows

Year ended December 31, 2016

(With Comparative Totals for 2015)

	2016	2015
<u>OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ (17,837)	\$ 101,004
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	150	6,414
<i>Net Cash Provided By Operating Activities</i>	<i>(17,687)</i>	<i>107,418</i>
<u>INVESTING ACTIVITIES</u>		
Purchase of Equipment	(3,089)	-
<i>Net Cash Provided By Investing Activities</i>	<i>(3,089)</i>	<i>-</i>
<i>CHANGE IN CASH</i>	<i>\$ (20,776)</i>	<i>\$ 107,418</i>
<i>CASH, BEGINNING</i>	<i>\$ 227,781</i>	<i>\$ 126,777</i>
<i>CASH, ENDING</i>	<i>\$ 207,005</i>	<i>\$ 227,781</i>

The accompanying notes are an integral part of the financial statements.

**THE GLOBAL MISSIONS DEPARTMENT OF THE OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Notes to the Financial Statements

For the year ended December 31, 2016

Note 1- Organization and Purpose

THE GLOBAL MISSIONS DEPARTMENT OF THE AME Zion Church (GMD) is Department of the A.M.E. Zion church charged with extending the Missionary work of the Church in foreign countries. The Department receives funding from the Connectional Budget Department of the A.M. E. Zion Church and the Women's Home and Overseas Missionary Society of the A.M.E. Zion Church

Note 2 – Summary of significant accounting policies

Basis of accounting – The financial statements of the GMD have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United State of America.

Basis of presentation – The GMD's financial statement presentation follows the recommendations of Financial Accounting Standards Board in Accounting Standards Codification (FASB ASC) Topic 958-205, *Not-For-Profit Entities - Presentation of Financial Statements*. Under ASC 958-205, the GMD is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Net assets are defined as follows:

Unrestricted net assets – Unrestricted net assets include resources, which are available for the support of the GMD's operating activities.

Temporarily restricted net assets – Temporarily restricted net assets include resources that have been donated to the GMD subject to restrictions as defined by the donor. These restrictions are met by the action of the GMD and/or passage of time. When the restriction expires as a result of the lapse of time requirement or achievement of the specified purpose stipulated, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Permanently restricted net assets consist of endowment and similar type funds in which the donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained in perpetuity, and invested for the purpose of producing present and future income, which may be expended. The GMD currently has no permanently restricted net assets.

**THE GLOBAL MISSIONS DEPARTMENT OF THE OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Notes to the Financial Statements

For the year ended December 31, 2016

Note 2 – Summary of significant accounting policies (continued)

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents includes balances on deposit in financial institutions, cash on hand and interest bearing money market accounts with an original maturity date of three months or less.

Functional allocation of expenses – The costs of providing the GMD’s various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Certain costs have been allocated among the programs and supporting services benefited.

Program services – Comprises activities that contribute to the GMD mission of providing insurance, retirement, relief and risk management for the Church.

Supporting services – Includes activities such as management and general services required to ensure an adequate working environment, provide administrative support and manage the GMD’s financial and budgetary functions.

Income tax status – The GMD is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the U.S. Internal Revenue Code and from state income taxes under similar provisions of North Carolina tax laws. Consequently, no provision for income taxes has been made in the accompanying statements.

Note 3- Subsequent Events-as required by FASB ASC No. 855, Subsequent Events, subsequent events have been evaluated by management through June 20, 2017, which is the date the financial statements were available to be released.

Supplemental Information

**DEPARTMENT OF GLOBAL MISSIONS OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Functional Expenses By Administration
Year Ended December 31, 2016

	Previous Administration	Current Administration	Total
<u>INCOME</u>			
AME Zion Connectional Budget Allocation	\$ 65,513	\$ 24,250	\$ 89,763
Women's Overseas and Home Mission Society Allocation	73,122	41,804	114,926
SEER's Subscriptions	73,301	46,531	119,832
Mission Day	-	30,234	30,234
Other Income	-	1,000	1,000
<i>Total</i>	<i>211,936</i>	<i>143,819</i>	<i>355,755</i>
<u>EXPENSES</u>			
Payroll & Taxes	46,121	-	46,121
Professional Fees	2,500	12,782	15,282
Mission Disbursements	78,713	36,282	114,995
Benefits & Allowances	-	12,793	12,793
Travel	2,191	35,264	37,456
Charitable and Benevolence	5,000	1,718	6,718
Publication cost	24,505	10,342	34,847
General Assessments	9,267	-	9,267
Utilities (Mount Vernon NY Property)	6,414	2,029	8,443
Taxes (Mount Vernon NY Property)	24,339	-	24,339
Meals	-	1,567	1,567
Telephone	1,076	1,522	2,598
Conferences, registrations and representations	2,988	605	3,593
Ads and Advertising	500	300	800
Copier Operating Lease	22,503	7,834	30,337
Bank Fees	186	315	501
Depreciation Expense	-	150	150
Literature	-	910	910
Information Technology	908	535	1,444
Postage (Non SEER)	455	334	789
Furniture and Other Supplies	7,741	43	7,784
Envelope and other office expense	1,634	7,307	8,941
Other	3,917	-	3,917
<i>Total</i>	<i>240,959</i>	<i>132,634</i>	<i>373,592</i>
CHANGE IN NET ASSETS	\$ (29,022)	\$ 11,185	\$ (17,837)