

**DEPARTMENT OF CHURCH GROWTH AND DEVELOPMENT
AFRICAN METHODIST EPISCOPAL ZION CHURCH
AUDITED FINANCIAL STATEMENTS
For the year ended December 31, 2016**



Church Accounting Management & Stewardship

John W. Spann Jr.
Certified Public Accountant

DEPARTMENT OF CHURCH GROWTH AND DEVELOPMENT
AFRICAN METHODIST EPISCOPAL ZION CHURCH
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J. Welton Spann Jr.
Certified Public Accountant

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Report of Independent Auditors

**The Connectional Trustee Board Audit Committee of the
DEPARTMENT OF CHURCH GROWTH AND DEVELOPMENT
AFRICAN METHODIST EPISCOPAL ZION CHURCH**
Charlotte, North Carolina

Report on the Financial Statements

We have audited the accompanying statements of DEPARTMENT OF CHURCH GROWTH AND DEVELOPMENT African Methodist Episcopal Zion Church (CGD), which comprise statements of financial position as of December 31, 2016 and the related statements of activities and functional expenses 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 CGD'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 CGD'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 CGD's as of December 31, 2016, and related statements of activities functional expenses for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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' and 'S'.

CAMS Ministries
John W. Spann Jr. C.P.A.
Charlotte, North Carolina
May 11, 2017

**DEPARTMENT OF CHURCH GROWTH AND DEVELOPMENT OF
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Financial Position

As of December 31, 2016

ASSETS

Current Assets:

Cash and Cash Equivalents	Note 3	\$	640,115
Certificate of deposit	Note 4		36,272
Prepaid Expenses			362
Inventory			950

Total Current Assets 677,699

TOTAL ASSETS \$ 677,699

LIABILITIES AND NET ASSETS

Net Assets

Unrestricted			274,097
Temporarily restricted	Note 6		403,602

Total Net Assets **677,699**

TOTAL LIABILITEIS AND NET ASSETS \$ 677,699

See notes to the financial statements

**DEPARTMENT OF CHURCH GROWTH AND DEVELOPMENT OF
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Activities

Year Ended December 31, 2016

		Unrestricted	Temporarily Restricted	Totals
SUPPORT AND REVENUE				
Allocations	Note 5	\$ 104,800	\$ 215,352	\$ 320,152
Decision Day Donations		6,565	-	6,565
Congress Registrations		385	-	385
Prayer Assembly		4,619	-	4,619
Retail Sales-Books and Brochures		3,799	-	3,799
Interest Income		826	-	826
Other income		524	-	524
<i>TOTAL</i>		\$ 121,518	\$ 215,352	\$ 336,870
EXPENSES				
Program Services:				
Department of Evangelism		\$ 52,862	\$ -	\$ 52,862
Home Missions Department		3,899	167,161	171,060
Support Services				
Management and General		7,247	-	7,247
<i>TOTAL</i>		\$ 64,008	\$ 167,161	\$ 231,169
<i>CHANGE IN NET ASSETS</i>		\$ 57,510	\$ 48,191	\$ 105,701
<i>NET ASSETS, BEGINNING</i>		\$ 220,930	\$ 355,411	\$ 576,340
<i>NET ASSETS, ENDING</i>		\$ 278,440	\$ 403,602	\$ 682,041

See notes to the financial statements

DEPARTMENT OF CHURCH GROWTH AND DEVELOPMENT
AFRICAN METHODIST EPISCOPAL ZION CHURCH
Notes to the Financial Statements
For the year ended December 31, 2016

	<u>Program Services</u>			<u>Support Services</u>	
	<u>Department of Evangelism</u>	<u>Home Missions Department</u>	<u>Totals</u>	<u>Management and General</u>	<u>Totals</u>
<u>PERSONNEL</u>					
Salaries and Payroll Taxes	\$ 31,196	\$ 3,899	\$ 35,095	\$ 3,900	\$ 38,995
<i>Total</i>	<i>31,196</i>	<i>3,899</i>	<i>35,095</i>	<i>3,900</i>	<i>38,995</i>
<u>OTHER EXPENSES</u>					
Ads, Registration and Representation	1,990	-	1,990	-	1,990
Stipends & Appreciation Gifts	2,145	-	2,145	-	2,145
Benevolence	3,275	-	3,275	-	3,275
Episcopal District Disbursements	-	167,161	167,161	-	167,161
Conference Transportation & Lodging	7,375	-	7,375	-	7,375
Ecumenical Dues	1,000	-	1,000	-	1,000
Employee Benefits	-	-	-	-	-
Office Supplies	3,407	-	3,407	-	3,407
Printing	989	-	989	-	989
Postage	1,095	-	1,095	-	1,095
Professional Services	-	-	-	2,800	2,800
Other Administrative Expenses	390	-	390	369	759
Bank Service Charges	-	-	-	178	178
TOTAL EXPENSES	\$ 52,862	\$ 171,060	\$ 223,922	\$ 7,247	\$ 231,169

See notes to the financial statements

DEPARTMENT OF CHURCH GROWTH AND DEVELOPMENT
AFRICAN METHODIST EPISCOPAL ZION CHURCH
Notes to the Financial Statements
For the year ended December 31, 2016

Note 1- Organization and Purpose

The Department of Church Growth and Development (CGD) was created to exercise general control over the field of Evangelism for African Methodist Episcopal Zion Church and to promote revivals of religion throughout the territory occupied by the church. The CGD is also responsible for Home Missions Department for the A.M.E. Zion Church. The purpose of the Home Mission Department is to provide relief of mission charges, and preachers on the economic challenged fields.

Note 2 – Summary of significant accounting policies

Basis of accounting – The financial statements of the CGD 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 CGD’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 CGD 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 CGD’s operating activities.

Temporarily restricted net assets – Temporarily restricted net assets include resources that have been donated to the CGD subject to restrictions as defined by the donor. These restrictions are met by the action of the CGD 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 CGD currently has no permanently restricted net assets.

DEPARTMENT OF CHURCH GROWTH AND DEVELOPMENT
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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 CGD’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 CGD mission to disseminate information, to cultivate denominational loyalty, to expand the denomination through education and evangelism, and to promote any other interest of the Kingdom of God.

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

Income tax status – The CGD 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 – Cash and cash equivalents

Cash and cash equivalents are comprised of the following at December 31, 2016:

	Unrestricted	Temporarily Restricted	Total
Non-interest bearing checking accounts	\$ 224,043	\$ 50,584	\$ 274,627
Interest bearing savings accounts	54,738	310,750	365,488
Total Cash & Cash Equivalents	\$ 278,781	\$ 361,334	\$ 640,115