

**ZION BENEFITS SERVICES, INC.
AFRICAN METHODIST EPISCOPAL ZION CHURCH
AUDITED FINANCIAL STATEMENTS
For the year ended December 31, 2018
With comparative totals for year ended December 31, 2017, and 2016**



Church Accounting Management & Stewardship

John W. Spann Jr.
Certified Public Accountant

ZION BENEFITS SERVICES, INC.
AFRICAN METHODIST EPISCOPAL ZION CHURCH
TABLE OF CONTENTS
Year Ended December 31, 2018

	<u>Page(s)</u>
Report of Independent Auditors	2-3
Audited Financial Statements:	
Statement of Financial Position	4
Statement of Activities.....	5
Statement of Functional Expenses	6-8
Statement of Cash Flows	9
Notes to the Financial Statements.....	10-12



J. Welton Spann Jr.
Certified Public Accountant

PO Box 16880 Charlotte NC 28297
704.577.7341 Phone
866.838.4912 Fax

Report of Independent Auditors

**Connectional Trustees Board of
ZION BENEFITS SERVICES, INC.
AFRICAN METHODIST EPISCOPAL ZION CHURCH**
Charlotte, North Carolina

Report on the Financial Statements

We have audited the accompanying statements of ZION BENEFITS SERVICES, INC. of the African Methodist Episcopal Zion Church (ZBS), which comprise statements of financial position as of December 31, 2018, 2017 and 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

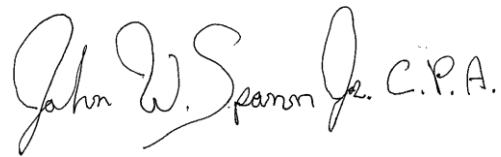
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 ZBS'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 ZBS'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 ZBS's as of December 31, 2018, 2017 and 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.

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, looped initial 'J'.

CAMS Ministries
John W. Spann Jr. C.P.A.
Charlotte, North Carolina
June 5, 2019

ZION BENEFITS SERVICES, INC.
AFRICAN METHODIST EPISCOPAL ZION CHURCH
Notes to the Financial Statements
Year Ended December 31, 2018

Note 1- Organization and Purpose

The ZION BENEFITS SERVICES, INC. (ZBS) is a Department of the A.M.E. Zion Church whose purpose is: (1) to provide retirement benefits and self-managed retirement plans for the pastors of African Methodist Episcopal Zion Church (the “Church”), (2) to provide death benefits for the pastors of the Church, (3) to provide relief for living spouses of deceased pastors of the Church and (4) to provide risk management and commercial insurance procurement services to protect the churches of the Church and its affiliated schools and institutions against property and casualty losses.

Note 2 – Summary of significant accounting policies

Basis of accounting – The financial statements of the ZBS 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 States of America.

Basis of presentation – The ZBS’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 ZBS 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 ZBS’s operating activities.

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