

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY  
CHURCHES**

**FINANCIAL STATEMENTS**

**December 31, 2017 and 2016**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Universal Fellowship of Metropolitan Community Churches  
Sarasota, Florida

We have audited the accompanying financial statements of the Universal Fellowship of Metropolitan Community Churches (a non-profit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities (with comparative totals for 2016) and cash flows for the years 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 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 of the financial statements.

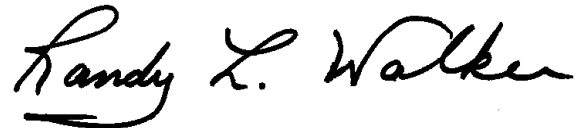
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Universal Fellowship of Metropolitan Community Churches as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years 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 schedule of functional expenses on page 12 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 "Randy L. Walker". The signature is written in a cursive style with a prominent underline under the first letter of the last name.

San Antonio, Texas  
March 26, 2020

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES  
STATEMENTS OF FINANCIAL POSITION**

**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 207,624	\$ 363,741
Accounts receivable	82,654	65,945
Prepaid expenses	394	2,338
Total Current Assets	<u>290,672</u>	<u>432,024</u>
<b>LONG-TERM ASSETS</b>		
Investment in marketable securities	201,566	501,942
Fixed assets, net	234,025	242,842
Total Long-Term Assets	<u>435,591</u>	<u>744,784</u>
<b>TOTAL ASSETS</b>	<u>\$ 726,263</u>	<u>\$ 1,176,808</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 28,493	\$ 117,533
Accrued expenses	125,968	232,853
Post-retirement benefit obligation - current	19,372	18,799
Total Current Liabilities	<u>173,833</u>	<u>369,185</u>
<b>LONG-TERM LIABILITIES</b>		
Post-retirement benefit obligation - long-term	195,557	214,929
Total Long-Term Liabilities	<u>195,557</u>	<u>214,929</u>
<b>TOTAL LIABILITIES</b>	<u>369,390</u>	<u>584,114</u>
<b>NET ASSETS</b>		
Unrestricted	138,118	303,644
Temporarily restricted	218,755	289,050
<b>TOTAL NET ASSETS</b>	<u>356,873</u>	<u>592,694</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 726,263</u>	<u>\$ 1,176,808</u>

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

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES**

**STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2017  
(with comparative totals for 2016)**

	<b>2017</b>			2016 Total
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	
<b><u>OPERATING SUPPORT AND REVENUE</u></b>				
Tithe income	\$ 1,014,657	\$ -	\$ <b>1,014,657</b>	\$ 1,136,349
Development income	139,339	66,609	<b>205,948</b>	293,652
Conferences and education	125,498	-	<b>125,498</b>	150,728
Other	31,840	-	<b>31,840</b>	52,154
Gain on investments	18,908	-	<b>18,908</b>	46,017
Gifts and donations	18,713	-	<b>18,713</b>	64,792
Dividend and interest income	5,749	-	<b>5,749</b>	20,766
Grants	-	-	-	137,209
Church planting and revitalization	-	-	-	3,166
Net assets released from restrictions	136,904	(136,904)	-	-
<b>TOTAL OPERATING SUPPORT AND REVENUE</b>	<b>1,491,608</b>	<b>(70,295)</b>	<b>1,421,313</b>	<b>1,904,833</b>
<b><u>OPERATING EXPENSES</u></b>				
Program	1,399,303	-	<b>1,399,303</b>	1,773,474
General and administrative	257,831	-	<b>257,831</b>	439,159
<b>TOTAL OPERATING EXPENSES</b>	<b>1,657,134</b>	<b>-</b>	<b>1,657,134</b>	<b>2,212,633</b>
<b>CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY</b>	<b>(165,526)</b>	<b>(70,295)</b>	<b>(235,821)</b>	<b>(307,800)</b>
<b><u>NON-OPERATING ACTIVITY</u></b>				
Change in value of post-retirement obligation	-	-	-	121,771
<b>CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY</b>	<b>(165,526)</b>	<b>(70,295)</b>	<b>(235,821)</b>	<b>(186,029)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>303,644</b>	<b>289,050</b>	<b>592,694</b>	<b>778,723</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 138,118</b>	<b>\$ 218,755</b>	<b>\$ 356,873</b>	<b>\$ 592,694</b>

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

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES  
STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Decrease in net assets	\$ (235,821)	\$ (186,029)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	8,817	9,250
Change in value of post-retirement obligation	-	(121,771)
Gain on investments	(18,908)	(46,017)
(Increase) Decrease in assets:		
Accounts receivable	(16,709)	(36,913)
Prepaid expenses	1,944	20,916
(Decrease) Increase in liabilities:		
Accounts payable	(89,040)	97,425
Accrued expenses	(106,885)	114,077
<b>Net Cash Used by Operating Activities</b>	<b>(456,602)</b>	<b>(149,062)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of fixed assets	-	(1,150)
Purchase of investments	(5,716)	(36,906)
Sale of investments	325,000	163,000
<b>Net Cash Provided by Investing Activities</b>	<b>319,284</b>	<b>124,944</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Repayments on post-retirement obligation	(18,799)	(17,431)
<b>Net Cash Used by Financing Activities</b>	<b>(18,799)</b>	<b>(17,431)</b>
<b>NET DECREASE IN CASH FLOWS</b>	<b>(156,117)</b>	<b>(41,549)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>363,741</b>	<b>405,290</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 207,624</b>	<b>\$ 363,741</b>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Interest paid	\$ 6,201	\$ 7,569

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

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017 and 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF ACTIVITIES**

The Universal Fellowship of Metropolitan Community Churches (the UFMCC) is a Christian church founded in and reaching beyond the gay and lesbian communities. The UFMCC embodies and proclaims Christian salvation and liberation, Christian inclusivity and community, and Christian social action and justice, serving those seeking and celebrating the integration of their spirituality and sexuality.

**BASIS OF ACCOUNTING**

The financial statements of the UFMCC have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**BASIS OF PRESENTATION**

The UFMCC is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the UFMCC and/or the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the UFMCC. The UFMCC had no permanently restricted net assets as of December 31, 2017 and 2016.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost as of the date of acquisition or, if acquired by gift or bequest, are stated at fair market value. The UFMCC's policy is to capitalize assets that are valued over \$1,000 and are expected to have a useful life of one or more years. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Building	39 years
Equipment	5-7 years
Furniture and fixtures	5-10 years

**CONTRIBUTED SERVICES**

The UFMCC receives a substantial amount of services donated by its members in carrying out its ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017 and 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**TITHES AND CONTRIBUTIONS**

Unrestricted tithes and contributions are recognized as increases in unrestricted net assets when received. Donor-restricted funds are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the donor-imposed restriction. When restrictions are satisfied, either by the passage of time or the fulfillment of purpose, the restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When restrictions are satisfied in the same accounting period as the receipt of the contribution, the UFMCC reports both the revenue and the related expenses as unrestricted net assets. Bequests are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable. In-kind donations of fixed assets are recorded at their fair value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate.

**CASH EQUIVALENTS**

For purposes of the statements of cash flows and the statements of financial position, the UFMCC considers all investments purchased with a maturity of three months or less to be cash equivalents.

**INCOME TAX STATUS**

The UFMCC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and as such qualifies for the maximum charitable contributions deduction by donors.

**ACCOUNTS RECEIVABLE**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management has adopted the direct write-off method for receivable balances considered uncollectible. These balances are written off through a debit to bad debt expense and a credit to accounts receivable.

**NEW ACCOUNTING PRONOUNCEMENTS**

In May 2014, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding revenue recognition effective for reporting periods beginning after December 15, 2018. Management does not expect the new standard to have a significant impact on its financial position, results of operations and related disclosures.

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2020. A lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with lease terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

In August 2016, the FASB issued Accounting Standards Update 2016-14, regarding the reporting and disclosure requirements for not-for-profit organizations, effective for periods beginning after December 15, 2017 with early adoption encouraged. The pronouncement replaces the three classes of net assets with two new classes, requires the reporting of expense by function and natural classification, enhances disclosures on liquidity and availability of resources, and includes several other less significant reporting enhancements. Management does not expect the new standard to have a significant impact on its financial position, results of operations and related disclosures.



**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017 and 2016**

**NOTE 2 – CONCENTRATIONS OF CREDIT RISK AND REVENUE**

The UFMCC maintained 81% and 87% of its cash balances in United States (US) banks as of December 31, 2017 and 2016, respectively. The remaining balance is held at several foreign banks to meet operating needs. Cash balances held in US banks are insured by the Federal Deposit Insurance Corporation (the FDIC) up to \$250,000, while the Securities Investor Protection Corporation (the SIPC) insures the balances in investment accounts up to \$500,000. The UFMCC also has investment accounts that are not insured by the FDIC or the SIPC. At December 31, 2017 and 2016, the UFMCC's uninsured cash and investment balances totaled \$-0- and \$88,648, respectively, not including reconciling items.

The UFMCC receives substantial revenue through tithes from its churches and individual members. If the revenue generation from these sources were to be significantly reduced, the UFMCC would also have to significantly reduce the services it provides to its members. Tithes comprised 71% and 60% of total support and revenue for the years ended December 31, 2017 and 2016, respectively.

**NOTE 3 – FIXED ASSETS**

Fixed assets and the related accumulated depreciation consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Building	\$ <b>334,889</b>	\$ 334,889
Office equipment	<b>213,458</b>	213,458
Furniture and fixtures	<b>49,654</b>	49,654
	<u><b>598,001</b></u>	<u>598,001</u>
Less accumulated depreciation	<u><b>(363,976)</b></u>	<u>(355,159)</u>
Fixed assets, net	<u><b>\$ 234,025</b></u>	<u>\$ 242,842</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$8,817 and \$9,250, respectively.

**NOTE 4 – INVESTMENTS**

Investments consisted of the following at December 31:

	<u>Money Market Funds</u>	<u>Mutual Funds</u>	<u>Stock</u>	<u>Total</u>
<b>2017 Cost</b>	\$ <b>72,076</b>	\$ <b>30,202</b>	\$ <b>87,703</b>	\$ <b>189,981</b>
<b>2017 FMV</b>	\$ <b>72,076</b>	\$ <b>30,384</b>	\$ <b>99,106</b>	\$ <b>201,566</b>
2016 Cost	\$ 126,989	\$ 65,000	\$ 314,065	\$ 506,054
2016 FMV	\$ 126,989	\$ 65,390	\$ 309,563	\$ 501,942

Investment income consisted of the following for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Interest/dividends	\$ <b>5,716</b>	\$ 20,766
Unrealized gain	<b>18,908</b>	46,017
Total	<u><b>\$ 24,624</b></u>	<u>\$ 66,783</u>

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017 and 2016**

**NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

The UFMCC adopted the provisions of ASC 820, “*Fair Value Measurements and Disclosures*” (formerly SFAS 157). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect the UFMCC’s financial position or results of operations. The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The UFMCC has no Level 2 or Level 3 assets or liabilities.

The UFMCC’s financial instruments (Level 1) were as follows at December 31:

	2017		2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Cash and cash equivalents	\$ 207,624	\$ 207,624	\$ 363,741	\$ 363,741
Accounts receivable	\$ 82,654	\$ 82,654	\$ 65,945	\$ 65,945
Prepaid expenses	\$ 394	\$ 394	\$ 2,338	\$ 2,338
Financial liabilities:				
Accounts payable	\$ 28,493	\$ 28,493	\$ 117,533	\$ 117,533
Accrued expenses	\$ 125,968	\$ 125,968	\$ 232,853	\$ 232,853
Post-retirement benefit obligation - current	\$ 19,372	\$ 19,372	\$ 18,799	\$ 18,799

The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

The UFMCC’s financial instruments also include investments. The fair values of investments are based on quoted market prices for those or similar investments.

**NOTE 6 – DEFINED CONTRIBUTION RETIREMENT PLAN**

The UFMCC offers a defined contribution retirement plan to qualified employees. The UFMCC contributed \$12,491 and \$13,310 to the plan for the years ended December 31, 2017 and 2016, respectively.

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017 and 2016**

**NOTE 7 – OPERATING LEASE**

The UFMCC leases a copier under a non-cancellable operating lease expiring in 2021. Rent expense related to this lease was \$3,877 and \$2,987 for the years ended December 31, 2017 and 2016, respectively. The total future required minimum payments under the copier lease are as follows:

<u>Year Ended December 31,</u>		
2018	\$	3,278
2019		3,278
2020		3,278
2021		<u>1,639</u>
Total	\$	<u><u>11,473</u></u>

**NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available for the following purposes as of December 31:

	<u>2017</u>	<u>2016</u>
Asia Pacific Initiative	\$ 616	\$ 266
Latin America	14,342	23,597
Western Europe	2,853	2,853
Disaster Relief	15,453	699
Youth Dominican Republic	2,635	2,635
Jamaica	520	520
Church Planting	13,327	13,327
Virtual Church	137	137
You! A Faith that Fits	1,024	1,024
Disability Forum	40	40
Translation and Accessibility	339	339
Crave 153	7,117	7,117
Fellowship Appeal	6,091	6,091
Africa	1,819	1,325
Carpenter Grant for Salary	76,100	90,476
People of African Descent	5,138	5,138
Creating a Life that Matters	873	873
Fellowship Sunday	17,447	17,447
Lead	9,032	-
WCC Participation	2,112	2,112
New England Ministries	384	384
Spiritual Academy	21,922	38,628
Fellowship Prayer-HIV/AIDS	1,050	1,050
Clergy Communities of Practice	10,808	22,972
Development	6,856	50,000
Networks	720	-
Total	<u>\$ 218,755</u>	<u>\$ 289,050</u>

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017 and 2016**

**NOTE 9 – LINE OF CREDIT**

The UFMCC has a line of credit secured by all property, with interest at .75% above the index rate payable monthly. As of December 31, 2017 and 2016, there were no borrowings against the line of credit.

**NOTE 10 – POST-RETIREMENT BENEFIT OBLIGATION**

In 2015, the UFMCC renegotiated post-retirement obligations to its founder. According to the renegotiated post-retirement agreement, the UFMCC agreed to make a lump sum payment of \$100,000, and previous annual payments of \$50,000 were changed to \$25,000, including principal and interest, beginning in 2016 and will continue until the date of the founder’s death. This change in annual payments resulted in a change in the post-retirement benefit obligation of \$121,771 for the year ended December 31, 2016. The UFMCC is also obligated to cover the founder’s funeral expenses to a limit of \$22,910. The net present value of these obligations as of December 31, 2017 and 2016 was \$214,929 and \$283,728, respectively.

The following is a schedule by year of future minimum principal payments required under the post-retirement agreement as of December 31:

2018	\$	19,372
2019		19,961
2020		20,569
2021		21,195
2022		21,840
Thereafter		<u>111,992</u>
	Total \$	<u>214,929</u>

Interest expense for the years ended December 31, 2017 and 2016 was \$6,201 and \$7,569, respectively.

**NOTE 11 – RECLASSIFICATIONS**

Certain reclassifications have been made to the prior year’s comparative information to conform to the current year presentation. The reclassifications have no effect on the classification of net assets or the change in net assets for the prior year.

**NOTE 12 – SUBSEQUENT EVENTS**

The UFMCC has evaluated subsequent events through March 26, 2020, which is the date the financials were available to be issued.

## **SUPPLEMENTARY INFORMATION**

**UNIVERSAL FELLOWSHIP OF  
METROPOLITAN COMMUNITY CHURCHES  
SCHEDULE OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2017  
(with comparative totals for 2016)**

	<b>2017</b>			2016 Total
	<b>Program</b>	<b>General and Administrative</b>	<b>Total</b>	
<b><u>OPERATING EXPENSES</u></b>				
Wages and taxes	\$ 859,380	\$ 151,655	\$ <b>1,011,035</b>	\$ 1,027,577
Benefits	111,492	19,675	<b>131,167</b>	127,472
Total Payroll Expenses	970,872	171,330	<b>1,142,202</b>	1,155,049
Conferences and training	123,284	-	<b>123,284</b>	303,236
Travel	78,284	42,153	<b>120,437</b>	116,132
Outreach and evangelism	102,434	-	<b>102,434</b>	211,932
Website maintenance	22,217	7,406	<b>29,623</b>	22,866
Bad debt	16,006	4,001	<b>20,007</b>	22,257
Miscellaneous	13,179	2,326	<b>15,505</b>	34,774
Telephone	11,578	2,894	<b>14,472</b>	21,722
Rentals	14,314	-	<b>14,314</b>	15,784
Contract services	6,067	6,066	<b>12,133</b>	13,300
Insurance	7,780	2,593	<b>10,373</b>	11,384
Dues and subscriptions	9,265	-	<b>9,265</b>	4,656
Depreciation	-	8,817	<b>8,817</b>	9,250
Governance and legal	8,008	-	<b>8,008</b>	53,621
Interest	4,961	1,240	<b>6,201</b>	7,569
Supplies	-	6,177	<b>6,177</b>	8,238
Leadership and licensure	4,441	1,110	<b>5,551</b>	23,610
Bank card fees	3,912	-	<b>3,912</b>	7,277
Printing and postage	2,364	-	<b>2,364</b>	3,027
Marketing and communications	-	1,718	<b>1,718</b>	10,264
Benevolence	337	-	<b>337</b>	1,434
Moderator retirement	-	-	-	150,000
Shipping, freight and delivery	-	-	-	3,862
Church growth initiatives	-	-	-	1,389
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,399,303</b>	<b>\$ 257,831</b>	<b>\$ 1,657,134</b>	<b>\$ 2,212,633</b>

See accountant's report.