

**DEREK PRINCE MINISTRIES—
INTERNATIONAL, INC
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2018 AND 2017
AND
INDEPENDENT AUDITOR'S REPORT**

**FRANKLIN & FRANKLIN, PA
CERTIFIED PUBLIC ACCOUNTANTS**

PHONE: 704-845-1195 ~ FAX: 704-845-1194

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
YEARS ENDED SEPTEMBER 30, 2018 AND 2017

CONTENTS

Independent Auditor's Report.....	1
Financial statements:	
Statements of Financial Position.....	2
Statements of Activities.....	3
Statement of Functional Expenses - 2018.....	4
Statement of Functional Expenses - 2017.....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7-12

FRANKLIN & FRANKLIN, PA

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Derek Prince Ministries- International, Inc.
Charlotte, North Carolina

We have audited the accompanying financial statements of Derek Prince Ministries- International, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities, functional expenses, 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 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 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 Derek Prince Ministries- International, Inc. as of September 30, 2018 and 2017, 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.

Franklin & Franklin, PA

Franklin & Franklin, PA
Matthews, North Carolina

November 9, 2018

DEREK PRINCE MINISTRIES-INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2018 AND 2017

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
ASSETS		
CURRENT ASSETS:		
Cash and equivalents - Unrestricted	\$ 1,884,255	\$ 1,620,601
Cash and equivalents - Temporarily restricted	643,321	632,073
Investments	104,160	104,345
Accounts receivable, net of allowance of \$-0- for 2018 and \$-0- for 2017	10,525	4,460
Other receivables	12,058	8,619
Inventory	172,210	187,184
Prepaid expenses	68,383	63,226
	<hr/>	<hr/>
Total Current Assets	2,894,912	2,620,508
PROPERTY AND EQUIPMENT:		
Building, furniture and equipment	1,416,579	1,419,146
Less accumulated depreciation	<u>(716,837)</u>	<u>(667,033)</u>
	<hr/>	<hr/>
Total Property and Equipment	699,742	752,113
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 3,594,654</u>	<u>\$ 3,372,621</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ -	\$ 8,857
Accrued expenses	98,942	88,380
	<hr/>	<hr/>
	98,942	97,237
LONG-TERM DEBT		
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	98,942	97,237
NET ASSETS:		
Unrestricted	2,852,391	2,643,311
Temporarily restricted	643,321	632,073
	<hr/>	<hr/>
TOTAL NET ASSETS	3,495,712	3,275,384
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,594,654</u>	<u>\$ 3,372,621</u>

See accompanying notes and independent auditor's report.

DEREK PRINCE MINISTRIES-INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	Years Ended	
	September 30, 2018	September 30, 2017
CHANGE IN UNRESTRICTED NET ASSETS:		
Revenue and Support:		
Contributions	\$ 2,069,704	\$ 2,285,843
Sales	157,142	163,762
Royalties	85,393	87,691
Investment income	1,968	1,971
Loss on disposal of equipment	-	(31,204)
Total Revenue and Support	2,314,207	2,508,063
Net Assets Released from Restrictions:		
Satisfaction of donor restrictions	955,711	990,814
Total Unrestricted Revenue and Support	3,269,918	3,498,877
Expenses:		
Cost of sales	179,045	190,547
Program services	2,090,224	1,987,632
Supporting services	653,067	662,934
Fund raising	138,502	148,553
Total Expenses	3,060,838	2,989,666
Change in Unrestricted Net Assets	209,080	509,211
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	933,986	1,188,885
Transfer from international offices	32,973	43,706
Net Assets Released from Restrictions	(955,711)	(990,814)
Change in Temporarily Restricted Net Assets	11,248	241,777
CHANGE IN NET ASSETS	220,328	750,988
NET ASSETS AT BEGINNING OF YEAR	3,275,384	2,524,396
NET ASSETS AT END OF YEAR	\$ 3,495,712	\$ 3,275,384

See accompanying notes and independent auditor's report.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2018

	COST OF SALES	PROGRAM EXPENSES	SUPPORTING SERVICES	FUND RAISING	OCCUPANCY EXPENSES	TOTAL
Advertising	\$ 1,712	\$ -	\$ -	\$ -	\$ -	\$ 1,712
Airtime	-	18,396	-	968	-	19,364
Vehicle expense	-	-	4,845	-	-	4,845
Bank and credit card charges	6,412	-	25,982	-	-	32,394
Building repairs and maintenance	-	-	-	-	23,093	23,093
Contract services	4,118	53,506	63,647	-	-	121,271
Depreciation	-	10,000	40,528	7,000	-	57,528
Domestic outreach	-	82,368	-	-	-	82,368
Donor relations	-	-	-	16,278	-	16,278
Dues and subscriptions	-	-	7,485	-	-	7,485
Freight, shipping and postage	25,466	-	16,310	-	-	41,776
Insurance	-	-	-	-	12,613	12,613
Ministry Outreach	-	1,045,810	-	-	-	1,045,810
Janitorial	-	-	-	-	15,339	15,339
Less international office reimbursement	-	-	(56,145)	-	-	(56,145)
Materials	63,289	-	-	-	-	63,289
Direct mail expense, including partner letters	-	54,682	-	39,372	-	94,054
Operating supplies and other operating expenses	-	-	51,222	-	-	51,222
Other	656	3,516	3,464	-	-	7,636
Production expense	-	18,794	-	-	-	18,794
Professional fees	-	-	19,840	-	-	19,840
Rent	-	-	-	-	4,475	4,475
Repairs and maintenance	-	-	86,196	-	-	86,196
Salaries and benefits	62,405	721,902	302,137	65,780	-	1,152,224
Telephone	-	-	-	-	12,080	12,080
Travel, meetings and seminars	-	-	72,093	-	-	72,093
Utilities	-	-	-	-	-	-
Web site	-	32,512	-	-	-	32,512
Occupancy	14,987	48,738	15,463	3,366	(82,554)	-
	\$ 179,045	\$ 2,090,224	\$ 653,067	\$ 138,502	\$ -	\$ 3,060,838

See accompanying notes and independent auditor's report.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2017

	COST OF SALES	PROGRAM EXPENSES	SUPPORTING SERVICES	FUND RAISING	OCCUPANCY EXPENSES	TOTAL
Advertising	\$ 995	\$ -	\$ -	\$ -	\$ -	\$ 995
Airtime	-	22,357	-	1,177	-	23,534
Vehicle expense	-	-	4,060	-	-	4,060
Bank and credit card charges	6,211	-	25,075	-	-	31,286
Building repairs and maintenance	-	-	-	-	17,936	17,936
Contract services	5,821	52,679	64,040	-	-	122,540
Depreciation	-	10,000	43,487	7,000	-	60,487
Domestic outreach	-	80,040	-	-	-	80,040
Donor relations	-	-	-	20,069	-	20,069
Dues and subscriptions	-	-	6,993	-	-	6,993
Freight, shipping and postage	26,724	-	14,322	-	-	41,046
Insurance	-	-	-	-	-	-
Ministry Outreach	-	1,046,160	-	-	11,793	1,064,160
Janitorial	-	-	-	-	13,776	13,776
Less international office reimbursement	-	-	-	-	-	(64,198)
Materials	60,818	-	-	-	-	60,818
Direct mail expense, including partner letters	-	55,020	-	35,441	-	90,461
Operating supplies and other operating expenses	-	-	27,504	-	-	27,504
Other	560	14,285	0	-	-	14,845
Production expense	-	31,967	-	-	-	31,967
Professional fees	-	-	19,075	-	-	19,075
Rent	-	-	-	-	3,128	3,128
Repairs and maintenance	-	-	81,669	-	-	81,669
Salaries and benefits	75,245	600,928	368,515	75,533	-	1,120,221
Telephone	-	-	-	-	12,544	12,544
Travel, meetings and seminars	-	-	54,442	-	-	54,442
Utilities	-	-	-	-	15,118	15,118
Web site	-	35,153	-	6,204	-	41,357
Occupancy	14,173	39,043	17,950	3,129	(74,295)	-
	\$ 190,547	\$ 1,987,632	\$ 662,934	\$ 148,553	\$ -	\$ 2,989,666

See accompanying notes and independent auditor's report.

DEREK PRINCE MINISTRIES-INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	September 30, 2018	September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 220,328	\$ 750,988
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	57,528	60,487
Loss on disposal of equipment	-	31,204
Change in:		
investments	185	(400)
accounts receivable	(6,065)	996
inventory	14,974	(11,631)
prepaid expense	(5,157)	(480)
other receivables	(3,439)	3,989
accounts payable	(8,857)	8,857
accrued expenses	10,562	(3,023)
Net Cash Provided by Operating Activities	280,059	840,987
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disposition of property and equipment	-	-
Purchase of property and equipment	(5,157)	(59,836)
Net Cash Used for Investing Activities	(5,157)	(59,836)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	-	-
Payment of long-term debt	-	-
Net Cash Used for Financing Activities	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	274,902	781,151
CASH AND CASH EQUIVALENTS, Beginning of year	2,252,674	1,471,523
CASH AND CASH EQUIVALENTS, End of year	\$ 2,527,576	\$ 2,252,674
UNRESTRICTED CASH AND CASH EQUIVALENTS	\$ 1,884,255	\$ 1,620,601
TEMPORARILY RESTRICTED CASH AND CASH EQUIVALENTS	643,321	632,073
TOTAL CASH AND CASH EQUIVALENTS	\$ 2,527,576	\$ 2,252,674

SUPPLEMENTAL DATA

The Ministries paid no income tax during 2018 or 2017.

The Ministries paid interest of \$-0- during 2018, and \$-0- during 2017.

See accompanying notes and independent auditor's report.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

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

Organization

Derek Prince Ministries—International, Inc. (the “Ministry”) was incorporated on December 18, 1990, and is located in Charlotte, North Carolina. The Ministry is involved in developing books, audio materials, video materials, and other teaching materials related to evangelism that it distributes worldwide in more than 100 languages. The distribution of the material is made through donations to international outreach offices and sales to the general public. It also prepares evangelical radio programs for worldwide distribution. These outreach efforts are primarily supported by contributions. Reverend Derek Prince was the founding teacher.

Various Ministry offices exist throughout the world that are separate nonprofit corporations, formed under the laws of the respective countries in which they operate. These corporations are governed by independent Boards of Directors; therefore, the results of their operations have not been included in these financial statements. The Ministry made contributions to international outreach offices of \$920,519 and \$919,615 for 2018 and 2017, respectively, based on designated contributions made to the Ministry by various donors. Additionally, beginning in the year ended September 30, 1995, these offices reimbursed Derek Prince Ministries—International, Inc. for operating expenses of \$56,145 for the year ended September 30, 2018 and \$64,198 for the year ended September 30, 2017, which is reflected herein as a reduction of operating expenses.

Basis of Accounting

Basis of accounting refers to when revenue and expenses are recognized in the accounts and reported in the financial statements. The Ministry uses the accrual basis of accounting as required by generally accepted accounting principles, whereby revenue is recognized when it is earned and expenses are recognized when they are incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand and time deposits, and money market accounts that mature within one year. As of September 30, 2018 and 2017, demand deposits and money market accounts consist of cash deposited in banks in the amount of \$2,520,462 and \$2,247,539, and in unsecured money market funds in national investment companies in the amount of \$7,114 and \$5,135 respectively. Cash and cash equivalents exceeded FDIC limits at September 30, 2018 by \$2,322,118. Management believes these financial institutions have strong credit ratings and that credit risk related to these deposits is minimal.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

Accounts Receivable

Accounts receivable consist of outstanding amounts due from the sale of religious material or other receivables due from affiliates. Management closely monitors the outstanding balances of accounts receivable and establishes an allowance for doubtful accounts when deemed necessary.

Inventory

Inventories are valued at the lower of cost or market using the last in—first out (LIFO) cost method and consist of books, audio materials, video materials, and other teaching materials.

Property and Equipment

Property and equipment are stated at cost or, in the case of items contributed, the estimated fair value of the item at the date of receipt. Additions, improvements and expenditures for repairs and maintenance that significantly add to the productivity or extend the economic life of the assets are capitalized if they cost \$500 or more. Other expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation is calculated using the straight-line method based on estimated useful lives ranging from three to forty years. When assets are retired, the assets and related accumulated depreciation are removed from the respective accounts and any profit or loss on the dispositions credited or charged to income. Depreciation expense was \$57,528 and \$60,487 for 2018 and 2017, respectively.

A summary of property is as follows:

	2018	2017
Cost:		
Buildings and improvements	\$ 939,406	\$ 939,406
Furniture and equipment	477,173	479,740
	1,416,579	1,419,146
Accumulated Depreciation	716,837	667,033
Net Property	\$ 699,742	\$ 752,113

Net Assets

Temporarily restricted net assets of \$643,321 and \$632,073 for 2018 and 2017, respectively, relates to unspent contributions received by the Ministry, which have been designated by the donor for specific outreach programs and a reallocation of undesignated funds by the Board of Directors.

Revenue and Support

The Ministry receives revenue primarily from contributions and sales of books and other materials. Sale prices of the materials are fixed by the Ministry and are intended to represent the direct and indirect costs of producing them.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

The Ministry reports gifts and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends or purpose restriction is accomplished—temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

The Ministry reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Ministry reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions received in the form of securities are recorded at fair market value at the date of receipt. The Ministry's policy is to sell the securities shortly after receipt. Additionally, supporters of the Ministry provide volunteer service in various activities of the Ministry, which are not recorded as revenue.

Expenses

The Ministry classifies its expenses on a functional basis under the following categories:

- 1) Program Service Expenses - direct and indirect costs related to providing ministry services.
- 2) Fund Raising Expenses - direct and indirect costs of all activities that constitute an appeal for financial support.
- 3) Supporting Service Expenses - all other costs not directly related to program services or fund raising expenses.

Salaries, fringe benefits and other indirect expenses were allocated between program services, supporting services, and fund raising based on various allocation factors. See Note 6 for a schedule of joint cost allocation.

Advertising Costs

Advertising costs are charged to expense as incurred. Total advertising costs were \$1,712 and \$995 for 2018 and 2017, respectively.

Freight and Shipping

Freight and shipping costs are charged to expense as incurred. These costs are reflected in the schedule of joint cost allocation reflected in Note 6.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
 NOTES TO FINANCIAL STATEMENTS
 FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

Income Taxes

The Ministry has been granted an exemption from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered to be a private foundation. Accordingly, no provision for income taxes is provided in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable related to the sale of religious material or other receivables due from affiliates at September 30, 2018 and 2017 is comprised of the following:

	<u>2018</u>	<u>2017</u>
Due from international affiliates	\$ 4,707	\$ 2,969
Due from commercial customers	<u>5,818</u>	<u>1,491</u>
	10,525	4,460
Less allowance for doubtful accounts	<u>-0-</u>	<u>-0-</u>
	<u>\$10,525</u>	<u>\$ 4,460</u>

NOTE 3— INVESTMENTS AND INVESTMENT INCOME

Investments are comprised of a short-term income fund in the amount of \$104,160 and \$104,345 at September 30, 2018 and 2017, respectively, and are reported at fair value. A summary of investment income for 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 2,153	\$ 1,595
Increase (decrease) in value of investments	<u>(185)</u>	<u>376</u>
	<u>\$ 1,968</u>	<u>\$ 1,971</u>

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards ASC and other valuation methodologies in accordance with Statement of Financial Accounting Standards ASC Topic 825, *Disclosures About Fair Value of Financial Instruments* and FASB ASC Topic 820, *Fair Value Measurements* require fair value of financial instruments to be determined based on 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 for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
 NOTES TO FINANCIAL STATEMENTS
 FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

Level 1- Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2- Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3- Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of September 30, 2018 and 2017, the Ministry's investments are classified as a Level 1 assets.

NOTE 5 - RELATED PARTY TRANSACTIONS

Various Ministry offices exist throughout the world that are separate nonprofit corporations, formed under the laws of the respective countries in which they operate. These corporations are governed by independent Boards of Directors; therefore, the results of their operations have not been included in these financial statements. The Ministry made contributions to international outreach offices of \$920,519 and \$919,615 for 2018 and 2017, respectively, based on designated contributions made to the Ministry by various donors. Two members of the Ministry Board of Directors were also members of two of the independent Boards of Directors in the other countries during the year. They periodically met with those organizations to be certain that their relationships with the Ministry were properly maintained.

Additionally, the outstanding amount due from international affiliates is \$4,707 and \$2,969 at September 30, 2018 and 2017, as reflected in Note 2.

NOTE 6 - ALLOCATION OF JOINT COSTS

Joint costs were allocated to functional activities as follows:

	<u>Ministry Program Expenses</u>				<u>Total</u>
	<u>2018</u>	<u>Cost of Sales</u>	<u>Program Services</u>	<u>Supporting Services</u>	
Salaries and benefits	\$ 62,405	\$721,902	\$302,137	\$ 65,780	\$1,152,224
Occupancy	14,987	48,738	15,463	3,366	82,554
Airtime	-0-	18,396	-0-	968	19,364
Freight and Shipping	<u>25,466</u>	<u>-0-</u>	<u>16,310</u>	<u>-0-</u>	<u>41,776</u>
	<u>\$102,858</u>	<u>\$789,036</u>	<u>\$333,910</u>	<u>\$ 70,114</u>	<u>\$1,295,918</u>

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017

<u>2017</u>	<u>Ministry Program Expenses</u>				
	<u>Cost of Sales</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and benefits	\$ 75,245	\$600,928	\$368,515	\$ 75,533	\$1,120,221
Occupancy	14,173	39,043	17,950	3,129	74,295
Airtime	-0-	22,357	-0-	1,177	23,534
Freight and Shipping	<u>26,724</u>	<u>-0-</u>	<u>14,321</u>	<u>-0-</u>	<u>41,045</u>
	<u>\$116,142</u>	<u>\$662,328</u>	<u>\$400,786</u>	<u>\$ 79,839</u>	<u>\$1,259,095</u>

NOTE 7 - RETIREMENT PLAN

The Ministry provides a Section 403(b) retirement plan for all eligible employees. During the year ended September 30, 2018, the Ministry paid \$9,915 as a two percent match of salary for eligible employees plus a contribution of \$11,326 for certain board-approved employees for a total of \$21,241. \$21,918 was paid for the year ended September 30, 2017. Such amounts are reflected in salaries and benefits.

NOTE 8 - LEASES

The Ministry is committed to leases for office equipment with payments of \$210-\$1,172 for twelve to sixty months. Lease expense was \$28,441 for 2018 and \$28,441 for 2017 and is reflected in operating supplies and operating expenses. A summary of commitments for the next five years is as follows:

September 30, 2019	\$ 28,441
2020	21,379
2021	15,898
2022	12,279
2023	-0-

NOTE 9 - SUBSEQUENT EVENTS ANALYSIS

Management has evaluated subsequent events through November 9, 2018, the date on which the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.