



**FAITH**

LIVE IT OUT

**ANNUAL FINANCIAL  
REPORT**

**FISCAL YEAR ENDED JUNE 30, 2011**



**EFCA**

MULTIPLYING HEALTHY CHURCHES  
AMONG ALL PEOPLE

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Dear Faith Church:

As we look back over the past twelve months, we are reminded that we are blessed with a congregation who generously shares the resources with which they have been entrusted. We are thankful for your willingness to partner together as a body of Christians who are aligned in a common desire to carry out the mission and ministry of Faith Church.

Enclosed are our financial reports which provide an accounting of income and expenses for the fiscal year ended June 30, 2011. Providing this information is aligned with our commitment to conduct financial matters in an environment of openness and transparency. Additionally, our financial statements are subjected to the rigors of an independent audit, the results of which are included in this reporting package. We trust that providing this information will be an encouragement to you regarding the financial integrity of our church, its worthiness to receive your support, and the appropriate use of your contributions.

Finally, while the financial statements are primarily a look back at the past, they also assist in understanding how we are financially positioned to carry out our future ministry together. As we consider the future, we can be confident that it will continue to present itself with opportunities to invest of our time, abilities, and monies in activities that will pay eternal dividends. To this end, we trust that you will be encouraged to continue to give generously to the various ministries of Faith Church, trusting in God to use and multiply your gifts for his eternal purposes.

Yours in His Service,

A handwritten signature in black ink that reads "Tom Macy".

Tom Macy  
Senior Pastor

A handwritten signature in black ink that reads "Doug Waltz".

Doug Waltz  
Treasurer

## FINANCIAL STRUCTURE OVERVIEW

The financial structure in place at Faith Church is one that allows for a significant degree of discretion on the part of the contributor. Specifically, there are four channels of ministry to which gifts can be designated and channeled into ministry as presented below.

### FINANCIAL STRUCTURE - CHANNELS OF GIVING AND MINISTRY



### OVERVIEW OF CHANNELS OF GIVING AND MINISTRY

**CHURCH MINISTRIES** – This fund is central to the church’s existence, and provides the foundational means through which the various ministries of the church are carried out. Contributions designated to Church Ministries support the ministries of our pastors, directors, and office staff, maintenance of the buildings and grounds, utilities, and outreach into our local community. This includes ministries of teaching, worship, and fellowship, through which children, youth, and adults are introduced to the Christian faith, and challenged to live it out through deeper understanding and application in their daily life. This fund is foundational to the health of the church and provides the basis for additional ministries to develop and flourish. Accordingly, any non-designated contributions are applied to the Church Ministries Fund.

**DESIGNATED MISSIONS** – Designated Missions provides ongoing support for missionaries, parachurch ministries, short term mission trips, and missions related organizations and projects. In addition to providing necessary funding, designated giving helps to foster personal relationships and prayer support for our missions family.

**GENERAL MISSIONS** – This fund assists members of the missions family with support deficits, provides financial assistance for various missions related projects, and helps with periodic emergency needs.

**BENEVOLENCE** - Gifts designated for Benevolence provide a means of assisting with crisis needs of the church family and the community, including food, shelter, health care expenses, and other needs.

# FINANCIAL STATEMENT HIGHLIGHTS - ALL FUNDS

## Financial Summary for the Fiscal Year Ended June 30, 2011

FUND	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENTS	FUND TRANSFERS	NET	ENDING BALANCE
Church Ministries	\$ 130,031	\$ 1,042,240	\$ 1,015,763	\$ (51,179)	\$ (24,703)	\$ 105,329
Designated Missions	18,999	828,222	829,647	(15,733)	(17,158)	1,841
General Missions	33,133	48,409	68,200	13,146	(6,645)	26,487
Benevolence	46,352	35,087	35,180	-	(93)	46,258
Real Estate Capital Replacements	139,011	-	-	50,000	50,000	189,011
Other Funds	79,255	235,488	291,834	3,766	(52,580)	26,676
<b>TOTALS</b>	<b>\$ 446,781</b>	<b>\$ 2,189,446</b>	<b>\$ 2,240,625</b>	<b>\$ -</b>	<b>\$ (51,179)</b>	<b>\$ 395,602</b>

**Explanation of Fund Transfers:**

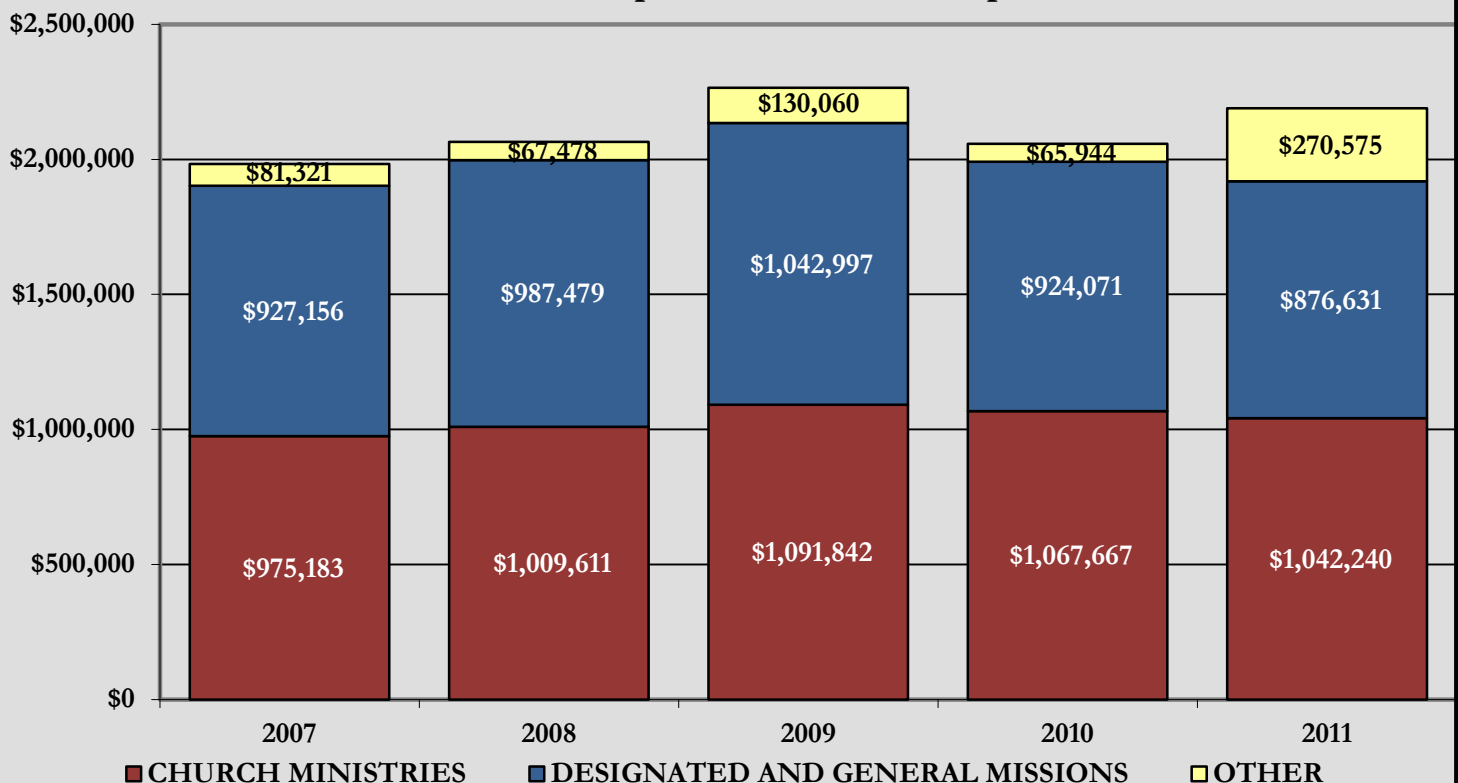
A \$50,000 transfer was made from the Church Ministries Fund to the Real Estate Capital Replacements Fund for the purpose of accumulating funds to replace depreciating capital items associated with to the Church's building and grounds.

A \$1,179 transfer was made from the Church Ministries Fund to Other Funds to offset expenses that exceeded income for a youth conference event.

A \$13,146 transfer was made from the Designated Missions Fund to the General Missions Fund. The funds transferred resulted from multiple instances where funds raised for missions trips exceeded expenditures. This transfer allows the surplus funds to be used for ministry as opposed to residing indefinitely in the Designated Missions Fund.

A \$2,587 transfer was made from the Designated Missions Fund to the Other Funds. The funds transferred resulted from multiple instances where funds raised for youth missions trips exceeded expenditures. This transfer allowed for a youth related overage to be used to offset a youth related shortfall due to expenses exceeding income for a youth conference event.

### Five Year Comparison of Total Receipts



# CHURCH MINISTRIES FUND

## Statement of Receipts, Disbursements, and Fund Balance

### Fiscal Years Ended June 30, 2011 and June 30, 2010

#### RECEIPTS

	10/11 Budget	10/11 Actual	09/10 Actual
Contributions	\$ 1,115,400	\$ 1,036,845	\$ 1,050,674
Other Income	-	3,316	16,994
Rental Income - 9144 N College		\$ 2,079	
<b>Total Receipts</b>	<b>\$ 1,115,400</b>	<b>\$ 1,042,240</b>	<b>\$ 1,067,667</b>

#### DISBURSEMENTS

Salaries and Related	\$ 701,200	\$ 650,839	\$ 641,575
Building and Grounds	214,100	174,369	217,941
9144 N College		1,313	-
Church Administration	53,800	58,654	47,860
Worship	15,800	27,898	13,445
Children's Ministry	23,500	19,761	18,203
Student Ministry	16,500	9,793	12,455
Adult Ministry	12,100	10,803	9,462
Community Outreach & Evangelism	17,200	22,353	13,807
Missions (Conference, Pastor's Trips, Mission House & Cars, Other)	31,900	14,255	20,661
Partnership Contributions (EFCA - \$14,000 / Trinity - \$7,000)	25,000	21,000	24,400
Other	4,300	4,725	22,431
<b>Total Disbursements</b>	<b>\$ 1,115,400</b>	<b>\$ 1,015,763</b>	<b>\$ 1,042,240</b>

#### NET RECEIPTS OVER (UNDER) DISBURSEMENTS

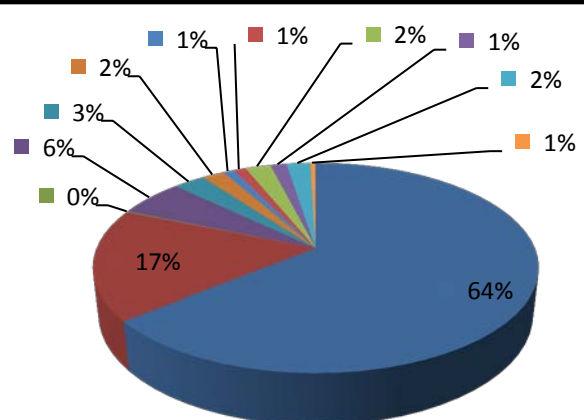
	\$ -	\$ 26,477	\$ 25,427
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#### FUND BALANCE PROGRESSION

Beginning Fund Balance - July 1, 2010 and 2009	\$ 130,031	\$ 104,604
Net Receipts Over (Under) Disbursements	26,477	25,427
Fund Transfer To Real Estate Capital Replacements Fund	(50,000)	-
Fund Transfer To Other Funds	(1,179)	-
<b>Ending Fund Balance - June 30, 2011 and 2010</b>	<b>\$ 105,329</b>	<b>\$ 130,031</b>

See explanatory notes of fund transfers on the page entitled "Financial Statement Highlights - All Funds"

- Salaries and Related
- Building and Grounds
- 9144 N College
- Church Administration
- Worship
- Children's Ministry
- Student Ministry
- Adult Ministry
- Community Outreach & Evangelism
- Missions (Conference, Pastor's Trips, Mission House & Cars, Other)
- Partnership Contributions (EFCA - \$14,000 / Trinity - \$7,000)
- Other



**DESIGNATED MISSIONS FUND**  
**Statement of Receipts, Disbursements, and Fund Balance**  
**Fiscal Years Ended June 30, 2011 and June 30, 2010**

**RECEIPTS**

	10/11 Actual	09/10 Actual
Contributions	\$ 828,222	\$ 869,572
<b>Total Receipts</b>	<b>\$ 828,222</b>	<b>\$ 869,572</b>

**DISBURSEMENTS**

Arab World Ministries (Hiestand) - '10 moved to Pioneers	\$ -	\$ 1,345
Aurora Mission (Standridge)	1,440	460
Barnabas International (Hicks, M. Miller)	25,369	28,408
Cadence (Wilson)	10,384	9,759
Campus Crusade (Becker, Benson, Bradley, Leatherman, Meiner, T. Miller, Thomas)	100,813	118,031
Child Evangelism Fellowship (Doherty, Groome)	32,273	35,036
Christian Military Fellowship (Price)	31,618	25,060
Christian Missionary Fellowship (Cluff)	9,704	11,082
Evangelical Free Church of America (Cone, Dunker, Eisinger)	45,614	29,084
Interserve (Bullock, Peklo, J. Tebbe)	38,666	52,574
InterVarsity Christian Fellowship (Lee, Fields, Slaughter, Singletery, B. Tebbe)	56,752	60,410
Latin American Mission (Cocanower)	1,440	1,560
Light of the World Ministries (Wood)	33,025	35,143
Mount Carmel Outreach (Harting)	5,925	5,871
Navigators (Baldwin)	18,894	18,050
OC International (D. Tebbe)	10,910	10,485
Operation Mobilization (D. Skinner)	5,040	5,240
Pioneers (Christenson, Hiestand)	22,775	20,974
SEND (Canada, King, Kunnecke, Wooden)	115,180	136,664
SIM USA (Foster, Hardy, Zigrang)	21,135	22,540
TEAM (Cetola, C. Irwin, R. Irwin, Newman, Small)	49,054	38,055
WEC International (Weaver)	12,777	9,983
WorldVenture (Sanders)	6,540	5,470
Wycliffe Bible Translators (Clifton, Gluck, Hall, Hubbard, Meharry, Shrum, H Skinner, Stoltzfus)	65,489	40,985
Youth For Christ (Beaverson, Cougill, Deyo, Dodrill)	43,393	63,102
Christian Leaders for Africa (NEGST)	8,410	4,100
Good News Ministries	5,370	4,775
Life Centers	4,510	3,966
Middle East Bible Outreach (ABTS)	2,010	1,550
North United Methodist Church (Umoja Project)	3,500	3,800
SEND (Kiev Theological Seminary)	1,100	500
Shepherd Community Center	2,460	2,180
SonScape Ministries	1,831	5,260
Wheeler Mission Ministries	7,672	6,282
Christmas Around the World (distributed amongst missions family)	10,784	9,200
Compassion (Compassion Internat'l. & Go Nigeria sponsored by FMC Jr./Sr. High Students)	897	1,242
Easter Offering (10 Takwane Bible Translation, 11 YFC Camp Ministry)	7,984	7,860
Tahaddi School (Sponsorships supported by Children of Faith Church)	600	600
Special Relief (Ukraine Women's Conference, Haiti)		7,144
Short-Term Missions Travel	(229)	21,575
Youth Missions Trip	8,038	16,949
Kids' Camp Contribution to ELCA Global Gifts Mission Project	500	-
<b>Total Disbursements</b>	<b>\$ 829,647</b>	<b>\$ 882,352</b>

<b>NET RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (1,425)</b>	<b>\$ (12,779)</b>
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**FUND BALANCE PROGRESSION**

Beginning Fund Balance - July 1, 2010 and 2009	\$ 18,999	\$ 31,779
Net Receipts Over (Under) Disbursements	(1,425)	(12,779)
Fund Transfer To Other Funds	(2,587)	
Fund Transfer To General Missions Fund	(13,146)	
<b>Ending Fund Balance - June 30, 2011 and 2010</b>	<b>\$ 1,841</b>	<b>\$ 18,999</b>

See explanatory notes of fund transfers on the page entitled "Financial Statement Highlights - All Funds"

**GENERAL MISSIONS FUND**  
**Statement of Receipts, Disbursements, and Fund Balances**  
**Fiscal Years Ended June 30, 2011 and June 30, 2010**

<b>RECEIPTS</b>	<b>10/11Actual</b>	<b>09/10Actual</b>
General Missions	\$ 42,951	\$ 48,429
Missions House User Fees	3,212	3,824
Missions Cars User Fees	2,246	2,246
<b>Total Receipts</b>	<b>\$ 48,409</b>	<b>\$ 54,499</b>

**DISBURSEMENTS**

Various Missionaries (Deficit Reduction)	\$ 56,700	\$ 40,000
Christmas Around the World	136	370
Wycliffe Bible Translators (Stoltzfus - Equipment Lost in Fire)		1,000
YFC (*10 Cougill-Narramore Foundation, Beaverson-Conference, Dodrill-Tents, *11 Beaverson-Pakistan Project)	1,000	2,875
Campus Crusade for Christ (Benson - Life Coach Training)		1,000
Mission Cars Expenses	-	20
Mission House Expenses	3,929	3,810
Women of Faith Retreat (Fall Retreat & One-Day Retreat for Missionary Women)	690	1,155
Men's Retreat (Retreat for Missionary Men)	195	
SIM USA (Writing Workshop for LeAnne Hardy)	1,000	
Interserve USA (Peklo Computer Fund)	500	
Light of the World Ministries (Wood - Biblical Justice Website)	1,000	
WEC International (Weaver - BCCDiTELL Project)	1,000	
Barnabus International (Hicks - Automobile Fund)	1,050	
IVCF (Slaughter - Orlando Conference)	1,000	
<b>Total Disbursements</b>	<b>\$ 68,200</b>	<b>\$ 50,230</b>
<b>NET RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (19,792)</b>	<b>\$ 4,269</b>

**FUND BALANCE PROGRESSION**

<b>Beginning Fund Balance - July 1, 2010 and 2009</b>	\$ 33,133	\$ 28,864
<b>Net Receipts Over (Under) Disbursements</b>	(19,792)	4,269
<b>Fund Transfer From Designated Missions Fund</b>	13,146	
<b>Ending Fund Balance - June 30, 2011 and 2010</b>	<b>\$ 26,487</b>	<b>\$ 33,133</b>

See explanatory notes of fund transfers on the page entitled "Financial Statement Highlights - All Funds"

Note: The ending fund balance is made up of \$11,245 in the General Missions Fund, -\$250 in the Missions House Fund, and \$15,492 in the Missions Cars Fund.

# BENEVOLENCE FUND

## Statement of Receipts, Disbursements, and Fund Balance

Fiscal Years Ended June 30, 2011 and June 30, 2010

RECEIPTS	10/11 Actual	09/10 Actual
Contributions	\$ 35,087	\$ 47,097
<b>Total Receipts</b>	<b>\$ 35,087</b>	<b>\$ 47,097</b>

DISBURSEMENTS		
Benevolence Expenses	\$ 35,180	\$ 42,136
<b>Total Disbursements</b>	<b>\$ 35,180</b>	<b>\$ 42,136</b>

<b>NET RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (93)</b>	<b>\$ 4,960</b>
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### FUND BALANCE PROGRESSION

Beginning Fund Balance - July 1, 2010 and 2009	\$ 46,352	\$ 41,391
Net Receipts Over (Under) Disbursements	(93)	4,960
<b>Ending Fund Balance - June 30, 2011 and 2010</b>	<b>\$ 46,258</b>	<b>\$ 46,352</b>

# REAL ESTATE CAPITAL REPLACEMENTS FUND

## Statement of Receipts, Disbursements, and Fund Balance

Fiscal Years Ended June 30, 2011 and June 30, 2010

RECEIPTS	10/11 Actual	09/10 Actual
	\$ -	\$ -
<b>Total Receipts</b>	<b>\$ -</b>	<b>\$ -</b>
DISBURSEMENTS		
HVAC	\$ -	\$ 7,732
<b>Total Disbursements</b>	<b>\$ -</b>	<b>\$ 7,732</b>
<b>NET RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ -</b>	<b>\$ (7,732)</b>

### FUND BALANCE PROGRESSION

Beginning Fund Balance - July 1, 2010 and 2009	\$ 139,011	\$ 86,743
Net Receipts Over (Under) Disbursements	-	(7,732)
Fund Transfer from Church Ministries Fund	50,000	60,000
<b>Ending Fund Balance - June 30, 2011 and 2010</b>	<b>\$ 189,011</b>	<b>\$ 139,011</b>

# OTHER FUNDS

## Statement of Receipts, Disbursements, and Fund Balance

Fiscal Years Ended June 30, 2011 and June 30, 2010

### RECEIPTS

	10/11 Actual	09/10 Actual
Capital Campaign - Church Plant	\$ 150,000	\$ -
Capital Campaign - Strategic Projects	76,485	595
Women of Faith Retreat	8,250	8,429
Women of Faith Retreat Scholarships	393	164
Youth Conference	360	9,659
<b>Total Receipts</b>	<b>\$ 235,488</b>	<b>\$ 18,847</b>

### DISBURSEMENTS

Capital Campaign - Church Plant (Founding Contribution for Village Life Church)	\$ 149,945	\$ -
Capital Campaign - Strategic Projects (Purchase of 9144 N College)	126,511	-
Women of Faith Retreat	9,136	7,773
Women of Faith Retreat Scholarships Granted	740	265
Youth Conference	5,503	8,295
<b>Total Disbursements</b>	<b>\$ 291,834</b>	<b>\$ 16,333</b>

### NET RECEIPTS OVER (UNDER) DISBURSEMENTS

<b>\$ (56,346)</b>	<b>\$ 2,514</b>
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### FUND BALANCE PROGRESSION

Beginning Fund Balance - July 1, 2010 and 2009	\$ 79,255	\$ 76,742
Net Receipts Over (Under) Disbursements	(56,346)	2,514
Fund Transfer From Designated Missions Fund	2,587	
Fund Transfer From Church Ministries Fund	1,179	
<b>Ending Fund Balance - June 30, 2011 and 2010</b>	<b>\$ 26,676</b>	<b>\$ 79,255</b>

See explanatory notes of fund transfers on the page entitled "Financial Statement Highlights - All Funds"

Note: The ending fund balance is made up of \$25,625 in the Capital Campaign Fund, \$431 in the Women of Faith Retreat Scholarship Fund, \$620 in the Women of Faith Retreat Fund.



**FAITH MISSIONARY CHURCH**

STATEMENTS OF CASH AND INVESTMENT RECEIPTS,  
DISBURSEMENTS, AND CASH AND  
INVESTMENT BALANCES  
With Independent Auditors' Report

June 30, 2011 and 2010

# FAITH MISSIONARY CHURCH

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## INDEPENDENT AUDITORS' REPORT

Board of Elders  
Faith Missionary Church  
Indianapolis, Indiana

We have audited the accompanying statements of cash and investment receipts, disbursements, and cash and investment balances of Faith Missionary Church for the years ended June 30, 2011 and 2010. These financial statements are the responsibility of the Church's management. Our responsibility is to express an opinion on the 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash and investment receipts, disbursements, and cash and investment balances of Faith Missionary Church for the years ended June 30, 2011 and 2010, on the modified cash basis of accounting described in Note 2.

*Capin Crouse LLP*

Greenwood, Indiana  
September 1, 2011

# FAITH MISSIONARY CHURCH

## Statements of Cash and Investment Receipts, Disbursements, and Cash and Investment Balances

	Year Ended June 30,	
	2011	2010
CASH RECEIPTS:		
Unrestricted:		
Church ministry fund offerings	\$ 1,036,845	\$ 1,050,674
Other income	5,395	16,993
	1,042,240	1,067,667
Temporarily restricted:		
Designated missions	828,222	869,572
Capital campaign	226,485	-
General missions	48,409	54,499
Benevolence	35,087	47,097
Other	9,003	18,847
	1,147,206	990,015
Total Cash Receipts	2,189,446	2,057,682
CASH DISBURSEMENTS:		
Church ministry fund disbursements:		
Salaries and related costs	650,842	641,576
Building, grounds, and equipment	175,682	157,941
Church administration	58,650	47,854
Worship	27,898	13,446
Community outreach and evangelism	22,353	13,808
Partnership contributions	21,000	24,400
Children's ministry	19,761	18,203
Missions	14,255	20,662
Adult ministry	10,804	9,462
Student ministry	9,794	12,455
Other	4,725	7,396
Identity project	-	15,035
	1,015,764	982,238
Other disbursements:		
Designated missions fund	829,647	882,354
Capital campaign fund- Village Life Church plant	149,945	-
Capital campaign- purchase of 9144 N College Ave	126,511	7,732
General missions fund	68,200	50,230
Benevolence fund	35,179	42,137
Other fund	15,379	16,333
	1,224,861	998,786
Total Cash Disbursements	2,240,625	1,981,024
Change in Cash and Investments	(51,179)	76,658
Cash and Investments, Beginning of Year	446,781	370,123
Cash and Investments, End of Year	\$ 395,602	\$ 446,781

See notes to financial statements

# FAITH MISSIONARY CHURCH

## Notes to Financial Statements

June 30, 2011 and 2010

1. NATURE OF ORGANIZATION:

Faith Missionary Church (Church) was incorporated in the state of Indiana in 1964 and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (code). The Church is classified as a publicly supported organization rather than a private foundation under Section 509(a) of the code. Contributions to the church are deductible for income tax purposes.

**The Mission & Vision of Faith Missionary Church:**

Our mission is to declare the glory of God through the Gospel of Jesus Christ to the ends of the earth. Vital to the fulfillment of this mission is connecting with God, each other, and the world.

**Connecting with God ...**

The ultimate purpose of all things is the Glory of God. God made us for His glory. That means our greatest need is to know God and our ultimate purpose is to declare His glory.

Thus, there is no greater activity for the individual and the gathered church than to declare God's glory in dynamic worship. Because God is most clearly revealed to us in the Bible and through His Son, Jesus, we place great emphasis on preaching and teaching the Bible with primary focus on the Gospel of Jesus Christ. Individually and together, we want to help one another in the pursuit of God, to, finding true joy and delight in our relationship with Him and in growing loving obedience to Him.

**Connecting with Each Other ...**

God designed us to live and grow in community. Genuine friendships with other followers of Jesus provide encouragement, accountability, nurture, practical care and mentoring. As we study the Bible together, pray, play and serve together, we build deep friendships with each other and with God.

**Connecting with the World ...**

We are left in this world to proclaim the Good News of Jesus Christ to all the peoples of the world. We are committed to engaging our community, our city and the entire world in ways that demonstrate and proclaim the love and grace of Christ.

The Church is associated with the Evangelical Free Church of America (EFCA). The Evangelical Free Church of America is an association of nearly 1,500 autonomous churches united by a mutual commitment to serve our Lord Jesus Christ with the guidance of the Holy Spirit and obedience to the Word of God. We are committed to cooperate with one another in ministry and fellowship as we seek to fulfill the Great Commission, which Christ has entrusted to His Church. The growing ministry of the EFCA currently extends to some 45 countries of the world.

# FAITH MISSIONARY CHURCH

## Notes to Financial Statements

June 30, 2011 and 2010

### 2. SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### MODIFIED CASH BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Under that basis, receipts and disbursements are recognized when cash or investments are received or paid. The cash basis is modified for recognition of unrealized investment gains and losses as investments are reported at fair value.

#### CASH, INVESTMENTS, AND CREDIT RISK

For purposes of the financial statements, cash includes checking and cash management accounts. Purchased investments with readily determinable fair values are reported at fair value. The Church purchased no investments for the years ending June 30, 2011 and 2010, respectively. Donated investments are reported at quoted value or estimated value on the date of the gift and thereafter reported in accordance with the above policy. The Church held no investments as of June 30, 2011 and 2010, respectively. While at times the Church's cash balance may exceed federally insured limits, the Church has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on these accounts.

#### FAIR VALUE MEASUREMENTS

As of June 30, 2011 and 2010, the cash and cash equivalents of the Church include \$5,125 and \$106, respectively, held in investment brokerage accounts. Cash is reported at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy established under the *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). There were no Level 2 or 3 cash accounts.

#### CONCENTRATION OF SUPPORT RISK

Support of the Church comes primarily from unrestricted church ministry fund offerings and restricted missions offerings concentrated in the Indianapolis, Indiana, geographical area.

#### ADVERTISING COSTS

The Church incurred no advertising costs for the years ended June 30, 2011 and 2010, respectively.

#### FUND-RAISING EXPENSES

The Church had no fund-raising expenses for the years ended June 30, 2011 and 2010. Therefore, the Church incurred no joint costs for fund-raising for the years ended June 30, 2011 and 2010, respectively.

# FAITH MISSIONARY CHURCH

## Notes to Financial Statements

June 30, 2011 and 2010

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### UNCERTAIN TAX POSITIONS

The Church has adopted the provisions of the *Income Tax* topic of the FASB ASC. These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statements of cash and investment receipts, disbursements, and cash and investment balances. As of June 30, 2011 and 2010, the Church had no uncertain tax positions that qualify for recognition or disclosure in the financial statements, respectively.

### 3. CASH AND INVESTMENT USE:

Cash is held for:

	June 30,	
	2011	2010
Unrestricted operating fund:		
Undesignated	\$ 105,329	\$ 130,031
Designated for capital improvements	189,011	139,011
Designated for strategic projects	-	75,000
	<u>294,340</u>	<u>344,042</u>
Temporarily restricted for the following purposes:		
Benevolence	46,258	46,352
Missions	28,329	52,132
Capital campaign	25,569	-
Other	1,051	3,660
Church plant	55	595
	<u>101,262</u>	<u>102,739</u>
	<u>\$ 395,602</u>	<u>\$ 446,781</u>

Although cash is not restricted, it is held for use in the ministries of the Church according to management's direction and to fulfill any donor imposed restrictions on support or net assets. For this purpose, the following accounting descriptions have been used:

- Unrestricted amounts are currently available at the discretion of the board for use in the Church's operations.
- Temporarily restricted amounts are those contributed with donor stipulations for specific operating purposes or programs.

# FAITH MISSIONARY CHURCH

## Notes to Financial Statements

June 30, 2011 and 2010

### 4. EMPLOYEE BENEFIT PLANS:

#### RETIREMENT PLAN

The Church contributes to retirement plans for its full-time employees. Contributions to the plans were approximately \$31,800 and \$30,900 for the years ended June 30, 2011 and 2010, respectively.

#### OTHER BENEFITS

The Church provides its full-time employees with group life insurance and medical (including dental) insurance. The Church and employees share in the cost of the medical insurance premiums. Participants should refer to the respective plan agreements for a more complete description of the benefit provisions. Total Church expenses for these benefits were approximately \$99,700 and \$112,700, for the years ended June 30, 2011 and 2010, respectively.

### 5. OPERATING LEASES:

Operating leases are for office equipment. Total lease expense was \$9,742 and \$10,612 for the years ended June 30, 2011 and 2010, respectively.

Operating leases are payable as follows:

<u>Year Ending June 30,</u>	
2012	\$ 9,531
2013	9,531
2014	9,531
2015	4,363
	<hr/>
	\$ 32,956
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### 6. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.