

**DEPARTMENT OF RECORDS & RESEARCH OF THE
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 RECORDS & RESEARCH OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH
TABLE OF CONTENTS**
Year Ended December 31, 2016

	<u>Page(s)</u>
Report of Independent Auditor	2-3
Audited Financial Statements:	
Statement of Financial Position	4
Statement of Activities.....	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements.....	8-9
Supplemental Information	11



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Certified Public Accountant

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Report of Independent Auditors

**DEPARTMENT OF RECORDS & RESEARCH OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**
Charlotte, North Carolina

Report on the Financial Statements

We have audited the accompanying statements of the DEPARTMENT OF RECORDS & RESEARCH OF THE of the African Methodist Episcopal Zion Church (RAR), which comprise statements of financial position as of December 31, 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 RAR'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 RAR'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 RAR's as of December 31, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The functional statement by previous and current administrations on page 11, 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 "John W. Spann Jr. C.P.A." The signature is written in a cursive style.

CAMS Ministries
John W. Spann Jr. C.P.A.
Charlotte, North Carolina
June 15, 2017

**DEPARTMENT OF RECORDS & RESEARCH OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Financial Position

As of December 31, 2016

ASSETS

Current Assets:

Cash and cash equivalents	\$	10,764
Total Current Assets		10,764

TOTAL ASSETS **\$ 10,764**

LIABILITIES AND NET ASSETS

Net Assets

Unrestricted		10,764
Total Net Assets		10,764

TOTAL LIABILITIES AND NET ASSETS **\$ 10,764**

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

**DEPARTMENT OF RECORDS & RESEARCH OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Activities

Year Ended December 31, 2016

SUPPORT AND REVENUE

AME Zion Connectional Budget Allocation	\$ 56,300
Filing Fees (Episcopacy, General Officer, Delegate List)	6,401
Other Income	5,000
<i>TOTAL</i>	\$ 67,701

EXPENSES

Program Services:

Records & Research Program Expense	\$ 59,335
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Support Services

Management and General	10,434
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TOTAL \$ 69,769

CHANGE IN NET ASSETS \$ (2,068)

NET ASSETS, BEGINNING \$ 12,832

NET ASSETS, ENDING \$ 10,764

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

**DEPARTMENT OF RECORDS & RESEARCH OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Functional Expenses

Year Ended December 31, 2016

	<u>Program Services</u>	<u>Support Services</u>	
	<u>Records and Research</u>	<u>Management and General</u>	<u>Totals</u>
<u>EXPENSES</u>			
Stipends	\$ 10,720	\$ 2,680	\$ 13,400
Ads and Advertising	600	-	600
Bank Charges	-	36	36
Charitable Donations	2,964	-	2,964
Book of Discipline Formatting	1,500	-	1,500
Information Technology	2,221	-	2,221
AMEX Charge Card Travel and Lodging (previous administration)	12,418	-	12,418
Travel and Lodging (current administration)	3,014	-	3,014
Phone/Receptionist		2,400	2,400
Meals for meetings	735	-	735
Office Expense	-	750	750
Printing	3,108	-	3,108
Office Supplies	-	2,623	2,623
General Conference	8,950	-	8,950
Honorarium	1,250	-	1,250
Retirement Gifts	11,100	-	11,100
Registration and Representations	755	-	755
Surety Bond	-	558	558
Continuing Education	-	280	280
Telephone	-	1,107	1,107
TOTAL EXPENSES	\$ 59,335	\$ 10,434	\$ 69,769

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

**DEPARTMENT OF RECORDS & RESEARCH OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Cash Flows

Year ended December 31, 2016

	2016
<u>OPERATING ACTIVITIES</u>	
Change in Net Assets	\$ (2,068)
Adjustments to reconcile change in net assets	
<i><u>Net Cash Provided By Operating Activities</u></i>	<i><u>(2,068)</u></i>
<u>INVESTING ACTIVITIES</u>	
<i><u>Net Cash Provided By Investing Activities</u></i>	<i><u>-</u></i>
<u>FINANCING ACTIVITIES</u>	
Principal payments on notes payable	
<i><u>Net Cash Provided By Financing Activities</u></i>	<i><u>-</u></i>
<i>CHANGE IN CASH</i>	<i>\$ (2,068)</i>
<i>CASH, BEGINNING</i>	<i>\$ 12,832</i>
<i>CASH, ENDING</i>	<i>\$ 10,764</i>

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

**DEPARTMENT OF RECORDS & RESEARCH OF THE
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 RECORDS & RESEARCH OF THE A.M.E. Zion church (RAR) is a department of the A.M.E. Zion Church (The Church), whose purpose is to prompt interest in the study, preservation, and dissemination of the history and heritage of the A.M.E. Zion Church. The RAR is located in Charlotte, North Carolina in the A.M.E. Zion Corporate Headquarters.

Note 2 – Summary of significant accounting policies

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

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

**DEPARTMENT OF RECORDS & RESEARCH OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

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 RAR’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 RAR mission of retailing the publications of church and subsidizing the operation cost of the Church’s headquarter.

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

Note 3- Subsequent Events-as required by FASB ASC No. 855, Subsequent Events, subsequent events have been evaluated by management through June 15, 2017, which is the date the financial statements were available to be released.

Supplemental Information

**DEPARTMENT OF RECORDS & RESEARCH OF THE
AFRICAN METHODIST EPISCOPAL ZION CHURCH**

Statement of Functional Expenses By Administration
Year Ended December 31, 2016

	Previous Administration	Current Administration	
	Jan- July 2016	Aug - Dec 2016	Totals
<u>INCOME</u>			
Allocation	\$ 28,100	\$ 28,200	\$ 56,300
Other (Previous Administration)	11,401	-	11,401
<i>Total</i>	<i>\$ 39,501</i>	<i>\$ 28,200</i>	<i>\$ 67,701</i>
<u>EXPENSES</u>			
Stipends	5,000	8,400	13,400
Ads and Advertising	450	150	600
Bank Charges	-	36	36
Charitable Donations	1,400	1,564	2,964
Book of Discipline Formatting	-	1,500	1,500
Information Technology	-	2,221	2,221
AMEX Charge Card Travel and Lodging (previous administration)	12,418	-	12,418
Travel and Lodging (current administration)	-	3,014	3,014
Phone/Receptionist	1,400	1,000	2,400
Meals for meetings	305	430	735
Office Expense	-	750	750
Printing	1,000	2,108	3,108
Office Supplies	-	2,623	2,623
General Conference	8,950	-	8,950
Honorarium	-	1,250	1,250
Retirement Gifts	11,000	100	11,100
Registration and Representations	255	500	755
Surety Bond	558	-	558
Continuing Education	-	280	280
Telephone	-	1,107	1,107
<i>Total</i>	<i>42,736</i>	<i>27,033</i>	<i>69,769</i>
CHANGE IN NET ASSETS	\$ (3,235)	\$ 1,167	\$ (2,068)