

**CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
DALLAS, TEXAS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2017 AND 2016

**CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
DECEMBER 31, 2017 AND 2016**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Church of God, a Worldwide Association, Inc.
Dallas, Texas

We have audited the accompanying financial statements of Church of God, a Worldwide Association, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities 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 audits 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Church of God, a Worldwide Association, Inc., as of December 31, 2017 and 2016, and the results of its activities and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Henry & Peters P.C.

Tyler, Texas
May 25, 2018

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS		<u>2017</u>	<u>2016</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	3,242,954	\$ 4,232,509
Investments		17,263	16,451
Other current assets		9,162	18,475
Total current assets		<u>3,269,379</u>	<u>4,267,435</u>
PROPERTY AND EQUIPMENT		1,820,764	341,144
CONSTRUCTION IN PROGRESS		110,627	-
OTHER ASSETS		39,494	8,725
Total assets	\$	<u><u>5,240,264</u></u>	<u><u>\$ 4,617,304</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	19,529	\$ 31,776
Accrued payroll and related liabilities		376,063	362,417
Other accrued liabilities		156,948	153,270
Current portion of notes payable		8,175	7,854
Total current liabilities		<u>560,715</u>	<u>555,317</u>
LONG TERM LIABILITIES			
Notes payable, net of current portion		<u>208,423</u>	<u>216,598</u>
Total long term liabilities		<u>208,423</u>	<u>216,598</u>
Total liabilities		<u>769,138</u>	<u>771,915</u>
NET ASSETS			
Unrestricted		4,471,126	3,845,389
Temporarily restricted		-	-
Permanently restricted		-	-
Total net assets		<u>4,471,126</u>	<u>3,845,389</u>
Total liabilities and net assets	\$	<u><u>5,240,264</u></u>	<u><u>\$ 4,617,304</u></u>

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Tithes and offerings, individuals	\$ 8,569,891	\$ -	\$ -	\$ 8,569,891
Local congregation contributions	73,776	-	-	73,776
Holy Day/Festival Fund offerings	2,693,401	-	-	2,693,401
Temporarily restricted contributions	-	594,987	-	594,987
Investment income	3,197	-	-	3,197
Other income	21,360	-	-	21,360
Net assets released from restrictions:				
Satisfaction of program restrictions	594,987	(594,987)	-	-
Total revenues, gains and other support	<u>11,956,612</u>	<u>-</u>	<u>-</u>	<u>11,956,612</u>
EXPENSES				
Program services:				
Public proclamation	1,153,931	-	-	1,153,931
Congregational care	4,982,412	-	-	4,982,412
Education	347,944	-	-	347,944
Festivals	551,229	-	-	551,229
International	1,825,252	-	-	1,825,252
Total program services	<u>8,860,768</u>	<u>-</u>	<u>-</u>	<u>8,860,768</u>
General and administrative:				
Headquarters office, management and administrative	917,686	-	-	917,686
Board of directors	9,998	-	-	9,998
Insurance and related	1,542,423	-	-	1,542,423
Total general and administrative	<u>2,470,107</u>	<u>-</u>	<u>-</u>	<u>2,470,107</u>
Total expenses	<u>11,330,875</u>	<u>-</u>	<u>-</u>	<u>11,330,875</u>
CHANGE IN NET ASSETS	625,737	-	-	625,737
NET ASSETS				
Beginning of period	3,845,389	-	-	3,845,389
End of period	<u>\$ 4,471,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,471,126</u>

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Tithes and offerings, individuals	\$ 8,727,914	\$ -	\$ -	\$ 8,727,914
Local congregation contributions	48,514	-	-	48,514
Holy Day/Festival Fund offerings	2,611,530	-	-	2,611,530
Temporarily restricted contributions	-	726,704	-	726,704
Investment income	23,241	-	-	23,241
Other income	34,740	-	-	34,740
Net assets released from restrictions:				
Satisfaction of program restrictions	726,704	(726,704)	-	-
Total revenues, gains and other support	<u>12,172,643</u>	<u>-</u>	<u>-</u>	<u>12,172,643</u>
EXPENSES				
Program services:				
Public proclamation	1,251,742	-	-	1,251,742
Congregational care	4,801,949	-	-	4,801,949
Education	354,258	-	-	354,258
Festivals	535,007	-	-	535,007
International	<u>1,801,118</u>	<u>-</u>	<u>-</u>	<u>1,801,118</u>
Total program services	8,744,074	-	-	8,744,074
General and administrative:				
Headquarters office, management and administrative	865,268	-	-	865,268
Board of directors	9,336	-	-	9,336
Insurance and related	<u>1,534,216</u>	<u>-</u>	<u>-</u>	<u>1,534,216</u>
Total general and administrative	2,408,820	-	-	2,408,820
Total expenses	<u>11,152,894</u>	<u>-</u>	<u>-</u>	<u>11,152,894</u>
CHANGE IN NET ASSETS	1,019,749	-	-	1,019,749
NET ASSETS				
Beginning of period	2,825,640	-	-	2,825,640
End of period	<u>\$ 3,845,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,845,389</u>

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 625,737	\$ 1,019,749
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	41,782	35,848
Donations of investments	(382,645)	(405,213)
Investment income	(3,197)	(23,241)
Changes in assets and liabilities:		
Decrease in other current assets	9,313	3,837
Increase in other assets	(30,769)	-
(Decrease) increase in accounts payable	(12,247)	99,466
Increase (decrease) in accrued payroll and related liabilities	13,646	(13,879)
Increase (decrease) in other accrued liabilities	3,678	(16,956)
Total adjustments	<u>(360,439)</u>	<u>(320,138)</u>
Net cash provided by operating activities	<u>265,298</u>	<u>699,611</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	385,030	412,003
Capital expenditures	<u>(1,632,029)</u>	<u>(284,021)</u>
Net cash (used in) provided by investing activities	<u>(1,246,999)</u>	<u>127,982</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	-	229,500
Payments on notes payable	<u>(7,854)</u>	<u>(5,048)</u>
Net cash (used in) provided by financing activities	<u>(7,854)</u>	<u>224,452</u>
 (Decrease) increase in cash and cash equivalents	 (989,555)	 1,052,045
CASH AND CASH EQUIVALENTS		
Beginning of period	<u>4,232,509</u>	<u>3,180,464</u>
End of period	<u><u>\$ 3,242,954</u></u>	<u><u>\$ 4,232,509</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u><u>\$ 8,845</u></u>	<u><u>\$ 6,085</u></u>

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 - ORGANIZATION

Church of God, a Worldwide Association, Inc. ("COGWA" or "the Church") was formed on December 23, 2010. The Church's mission reflects Jesus Christ's words to preach the gospel to the whole world, make disciples and to educate, train and care for believers.

COGWA receives financial support through tithes and other contributions from individual church members, local congregations and others and allocates the funds received to its associated domestic and international churches and projects, all in an effort to fulfill its mission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF FINANCIAL STATEMENT PRESENTATION

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accompanying financial statements reflect the activity of COGWA's centralized operations and do not include the separate activities of local congregation accounts or associated international organizations.

COGWA follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-210-50-3, *Financial Statements of Not-for-profit Organizations*, in preparing the financial statements. Under ASC 958-210-50-3, the Church 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. Descriptions of the three net asset categories and the types of transactions affecting each category follow:

Unrestricted – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met by actions of COGWA or that expire with the passage of time.

Permanently Restricted – Net assets subject to donor-imposed stipulations that they be maintained permanently by COGWA.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, COGWA considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

INVESTMENTS

Investments include marketable securities with readily determinable fair values. Contributions that come in the form of stock donations are deposited into an investment account and are typically sold within a few days. The account maintains a balance in order for the account to remain active for future stock donations.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term, and such changes could materially affect the investment value.

ACCOUNTS RECEIVABLE

Receivables are maintained for contributions due from third party collection service providers, but not yet received by COGWA. There were no contributions receivable as of December 31, 2017 and 2016.

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

PREPAID EXPENSES

COGWA makes monthly subsidy payments to international churches. In order to ensure the subsidy is received in time to pay bills, the amounts are occasionally paid in advance for the subsequent month. There were no prepaid subsidies outstanding as of December 31, 2017 and 2016.

PROPERTY AND EQUIPMENT

COGWA follows the practice of capitalizing all expenditures in excess of \$1,000 for property and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Routine repairs and maintenance are expensed as incurred.

Property and equipment are depreciated over an estimated useful life as shown below:

	<u>Estimated Life</u>
Land and improvements	N/A
Audio equipment	7 years
East Texas Church Building	39 years
Video equipment	3 - 5 years
Computer equipment	5 years
Machinery and equipment	7 years
Furniture and furnishings	7 years
Leasehold improvements	7 years

ACCRUED PAYROLL AND RELATED LIABILITIES

COGWA's vacation policy entitles full-time and part-time employees to be paid vacation benefits after one year of service. The amount is based on each employee's length of employment and yearly work schedule. COGWA accrues vacation time for each employee on a bi-weekly basis according to the number of hours worked.

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 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.

FEDERAL INCOME TAX

The Organization is exempt from federal income tax, except to the extent the entity has unrelated business income, under 501(c)(3) of the Internal Revenue Code ("Code") and is classified as other than a private foundation within the meaning of Section 509(a). Accordingly, no provision for federal income tax has been recorded in the accompanying financial statements.

In accordance with FASB ASC 740, *Income Taxes*, management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that required adjustments to the financial statements to comply with the provisions of this guidance. The Organizations tax returns are subject to examination by the Internal Revenue Services, generally for three years from the date of filing. The Organization believes it is no longer subject to tax examination for years prior to 2014.

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED
CONTRIBUTIONS

Contributions are recognized by COGWA as revenue when received. Additionally, COGWA has adopted ASC 958-605-45, *Accounting for Contributions Received and Contributions Made*, which requires contributions received to be recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires during the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. Under ASC 958-605-45, contributions required to be reported as temporarily restricted support are reclassified upon expiration of the donor restrictions.

DONATED ASSETS AND SERVICES

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. COGWA receives certain volunteer services which are not measurable, and therefore, have been excluded from the financial statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In August 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-14, *Not for Profit Entities*. Among other provisions, this update (1) reduces the net asset classification from three categories to two; net assets with donor restrictions and net assets without donor restrictions, (2) requires additional disclosures of governance and self-imposed limits on the resources without donor-imposed restrictions and net assets with donor restrictions, (3) provides qualitative and quantitative information on liquidity and availability of financial assets, (4) requires disclosure of expenditures by both their natural classification and their functional classification, (5) adds disclosure of methods to allocate costs among program and support functions, (6) provides for enhanced disclosures on underwater endowment funds, and (7) requires disclosure of investment return and related investment expenses. This update is effective for annual financial statements issued for fiscal years beginning after December 15, 2017 with early adoption permitted. The Organization’s management is evaluating the impact of this standard and currently plans to implement this standard beginning on January 1, 2018.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update requires lessees to recognize assets and liabilities for leases with lease terms of more than 12 months and disclose key information about leasing arrangements. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as finance or operating lease. The update is effective for reporting periods beginning after December 15, 2019 for non-public entities with early adoption permitted. The Organization’s management is in the process of evaluating the impact of this accounting guidance and currently plans to implement this standard beginning on January 1, 2020.

RECLASSIFICATION

Certain amounts in the 2016 financial statements have been reclassified to conform to the presentation in 2017.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 25, 2018, the date on which the financial statements were available to be issued.

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
CONTINUED

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

Depreciation expense related to furniture and equipment totaled \$41,782 and \$35,848 for the years ended December 31, 2017 and 2016, respectively.

	2017	2016
Land and improvements	\$ 1,529,054	\$ 11,250
Audio equipment	36,606	36,606
East Texas Church Building	267,073	267,073
Video equipment	63,819	60,221
Computer equipment	60,951	60,951
Machinery and equipment	10,713	10,713
Furniture and furnishings	28,982	28,982
Leasehold improvements	19,658	19,658
Total	2,016,856	495,454
Less: accumulated depreciation	(196,092)	(154,310)
Property and equipment, net	<u>\$ 1,820,764</u>	<u>\$ 341,144</u>

Construction in progress on the accompanying financial statements represents property and equipment received but not placed into service or cash payments for property and equipment prior to delivery from the vendor.

NOTE 4 - NOTES PAYABLE

COGWA has a note payable with a bank secured by a Deed of Trust on real estate. Interest accrued monthly at 3.95% on the first 60 payments and 4.5% thereafter. The unpaid principle balance of the note along with any accrued interest is due in full at maturity in April 2036.

Maturities of notes payable are as follows:

2018	\$ 8,175
2019	8,508
2020	8,833
2021	8,946
2022	9,220
Thereafter	172,916
	<u>\$ 216,598</u>

During the year ended December 31, 2017, COGWA purchased land in McKinney, Texas and entered into an agreement with a contractor to construct a new office building. As part of the agreement, on December 21, 2017, COGWA secured a construction loan payable with a bank for a maximum amount of \$3,256,432 for the estimated costs to construct. COGWA incurred \$39,494 in loan fees at time of close which are recorded as "Other assets" on the accompanying financial statements. As of December 31, 2017 construction had yet to begin. Accordingly no amounts were drawn or outstanding on the loan.

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
CONTINUED

NOTE 5 - RESTRICTIONS ON NET ASSETS

All of the restrictions on net assets during 2017 and 2016 were designated to be spent on programs and services. There were no temporarily or permanently restricted net assets at December 31, 2017 and 2016.

Net assets were released from donor restrictions by satisfying the restricted purposes specified by donors as follows:

	2017	2016
Assistance Fund	\$ 261,156	\$ 211,945
Building Fund	27,753	-
Festival Fund	232,639	317,424
Foundation Institute	3,959	1,880
Camps Fund	35,097	15,723
International Donations	31,928	176,397
Jordan Project	-	300
Other Donor Restrictions	2,455	3,035
	<u>\$ 594,987</u>	<u>\$ 726,704</u>

NOTE 6 - RETIREMENT PLAN

COGWA sponsors a 403(b) Thrift Plan ("Plan") that is available to all employees. Employees are eligible to participate on the first day of the month coinciding with or immediately following their date of hire. There are no age or service requirements for participation in the Plan. Employees may defer compensation amounts up to annual limits set by the IRS. Additionally, COGWA, at its discretion, may make contributions to the plan. COGWA made no contributions to the plan for the years ended December 31, 2017 and 2016.

NOTE 7 - LEASES

COGWA leases certain office space for its administrative offices in Allen, Texas. The lease expired in May 2017 and was renewed for a twelve month period. In March 2018 COGWA renewed and extended its lease agreement through November 2018. The minimum lease payments related to these agreements are as follows for the future year ending December 31:

2018	\$ 149,529
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Lease expense for the years ended December 31, 2017 and 2016 was \$153,900 and \$152,086, respectively.

NOTE 8 - CONCENTRATION AND CONTINGENCIES

COGWA maintains cash in accounts with federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits. COGWA uses quality depository institutions and monitors their stability. COGWA has not experienced any loss in such accounts, and it does not believe it is exposed to any significant risk on cash.

COGWA is subject to certain claims and contingencies that arise in the normal course of accomplishing its mission. None of these, in the opinion of management, are expected to have a material adverse effect on the financial position, activities or cash flows of the Church.

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
CONTINUED

NOTE 9 - SUMMARY OF EXPENSE BY ACTIVITY

The following is a summary of expense by activity for the year ended December 31, 2017:

	Program Services					General and Administrative			Total
	Public Proclamation	Congregational Care	Education	Festivals	International	Headquarters Office, Management and Administrative	Board of Directors	Insurance and Related	
EXPENSES									
Bank services and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,097	\$ -	\$ -	\$ 43,097
Building and equipment lease/rental	-	28,474	83,624	44,665	214	159,450	-	-	316,427
Contracted services and fees	170,196	423	-	-	-	68,036	-	-	238,655
Depreciation	-	-	-	-	-	41,782	-	-	41,782
Equipment and facilities	5,083	14,492	964	-	-	18,542	-	-	39,081
Grants and charitable support:									
International subsidies	-	-	-	-	991,824	-	-	-	991,824
Domestic support:									
Discretionary assistance	-	252,026	-	139,260	79,504	-	-	46,050	516,840
Discretionary retirement pay	-	-	-	-	-	-	-	408,497	408,497
Local congregation subsidies	-	1,115,428	-	-	-	-	-	-	1,115,428
Hymnal project	-	8,845	-	-	-	-	-	-	8,845
Insurance and health care	-	-	-	-	-	-	-	1,087,876	1,087,876
Internet and related	27,071	-	-	-	-	6,800	-	-	33,871
Postage and shipping	96,830	3,436	-	453	1,227	5,082	-	-	107,028
Printing	82,851	3,821	-	-	-	-	-	-	86,672
Salaries and related expenses	712,424	2,881,045	111,411	312,202	503,953	441,796	-	-	4,962,831
Supplies	49,615	5,623	3,930	29,573	3,583	20,318	-	-	112,642
Telephone and utilities	150	25,454	-	-	1,551	49,212	-	-	76,367
Travel, mileage, meals and lodging	8,555	576,466	25,200	22,093	213,034	39,998	9,998	-	895,344
Youth camp and activities	-	-	117,846	2,758	26,983	-	-	-	147,587
Other	1,156	66,879	4,969	225	3,379	23,573	-	-	100,181
Total expenses	<u>\$ 1,153,931</u>	<u>\$ 4,982,412</u>	<u>\$ 347,944</u>	<u>\$ 551,229</u>	<u>\$ 1,825,252</u>	<u>\$ 917,686</u>	<u>\$ 9,998</u>	<u>\$ 1,542,423</u>	<u>\$ 11,330,875</u>

CHURCH OF GOD, A WORLDWIDE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
CONTINUED

NOTE 9 - SUMMARY OF EXPENSE BY ACTIVITY

The following is a summary of expense by activity for the year ended December 31, 2016:

	Program Services					General and Administrative			Total
	Public Proclamation	Congregational Care	Education	Festivals	International	Headquarters Office, Management and Administrative	Board of Directors	Insurance and Related	
EXPENSES									
Bank services and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,901	\$ -	\$ -	\$ 41,901
Building and equipment lease/rental	-	12,228	48,943	40,396	292	156,712	-	-	258,571
Contracted services and fees	146,099	12,000	-	641	-	99,162	-	-	257,902
Depreciation	-	-	-	-	-	35,848	-	-	35,848
Equipment and facilities	10,382	3,988	189	-	-	4,967	-	-	19,526
Grants and charitable support:									
International subsidies	-	-	-	-	947,946	-	-	-	947,946
Domestic support:									
Discretionary assistance	-	236,214	-	127,852	69,410	-	-	46,050	479,526
Discretionary retirement pay	-	-	-	-	-	-	-	385,900	385,900
Local congregation subsidies	-	1,122,058	-	-	-	-	-	-	1,122,058
Hymnal project	-	6,085	-	-	-	-	-	-	6,085
Insurance and health care	-	-	-	-	-	-	-	1,102,266	1,102,266
Internet and related	37,323	-	-	-	-	4,000	-	-	41,323
Postage and shipping	109,291	4,224	-	221	1,172	4,655	-	-	119,563
Printing	91,143	6,133	-	-	654	221	-	-	98,151
Salaries and related expenses	750,032	2,883,319	114,104	309,292	474,838	387,011	-	-	4,918,596
Supplies	72,554	13,940	12,638	28,027	2,015	29,921	-	-	159,095
Telephone and utilities	450	27,690	-	-	839	58,711	-	-	87,690
Travel, mileage, meals and lodging	16,102	463,333	35,200	24,634	271,351	41,551	9,336	-	861,507
Youth camp and activities	-	-	132,620	3,004	32,601	-	-	-	168,225
Other	18,366	10,737	10,564	940	-	608	-	-	41,215
Total expenses	<u>\$ 1,251,742</u>	<u>\$ 4,801,949</u>	<u>\$ 354,258</u>	<u>\$ 535,007</u>	<u>\$ 1,801,118</u>	<u>\$ 865,268</u>	<u>\$ 9,336</u>	<u>\$ 1,534,216</u>	<u>\$ 11,152,894</u>