



Financial Statements
With Independent Auditors' Report

June 30, 2013 and 2012

GRACE TO YOU

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Grace to You
Valencia, California

Report on the Financial Statements

We have audited the accompanying financial statements of Grace to You, which comprise the statements of financial position as of June 30, 2013 and 2012, 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.

Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Grace to You'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 Grace to You'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.

Board of Directors
Grace to You
Valencia, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grace to You as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on the Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of income and expenses by natural classification on page 13 and the supplemental schedules of functional expenses by natural classification on page 14 are presented for purposes of additional analysis and are 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.

Capin Crouse LLP

Tarzana, California
October 11, 2013

GRACE TO YOU

Statements of Financial Position

	June 30,	
	2013	2012
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 951,137	\$ 4,534,109
Investments	5,386,474	1,025,929
Accounts receivable	70,870	71,520
Inventory to be sold or given away	961,852	974,387
Prepaid expenses and other current assets	343,329	438,530
Beneficial interest in trusts held by others	552,355	348,355
	8,266,017	7,392,830
Unamortized loan fees	-	6,278
Cash surrender value of life insurance	481,383	402,231
Land, building, and equipment - at cost, net (note 3)	4,999,575	5,211,233
	\$ 13,746,975	\$ 13,012,572
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 837,539	\$ 605,779
Accrued payroll liabilities	230,466	207,586
Deferred revenue	207,854	25,078
Customer deposits	6,212	6,363
Note payable - current portion (note 5)	-	336,943
	1,282,071	1,181,749
Note payable - net of current portion (note 5)	-	931,049
	1,282,071	2,112,798
Net assets:		
Unrestricted:		
Undesignated	6,843,999	6,490,062
Net investment in land, building, and equipment (note 3)	4,999,575	3,943,241
	11,843,574	10,433,303
Temporarily restricted	621,330	466,471
	12,464,904	10,899,774
Total Liabilities and Net Assets	\$ 13,746,975	\$ 13,012,572

See notes to financial statements

GRACE TO YOU

Statements of Activities

	Year Ended June 30,					
	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 15,826,236	\$ 227,336	\$ 16,053,572	\$ 14,125,503	\$ 378,636	\$ 14,504,139
Sales	1,487,021	-	1,487,021	1,554,637	-	1,554,637
Refund, reimbursement, and other income	269,741	-	269,741	249,523	-	249,523
Subscription income	25,395	-	25,395	22,916	-	22,916
Royalties income	14,532	-	14,532	22,202	-	22,202
Investment income	86,396	-	86,396	91,126	-	91,126
Satisfaction of donor restrictions:						
Ministry projects	72,477	(72,477)	-	60,490	(60,490)	-
Total Support, Revenue, and Reclassifications	17,781,798	154,859	17,936,657	16,126,397	318,146	16,444,543
EXPENSES:						
Program services:						
Media ministries	13,918,731	-	13,918,731	13,247,594	-	13,247,594
Supporting activities:						
General and administrative	2,132,771	-	2,132,771	2,035,077	-	2,035,077
Fundraising	320,025	-	320,025	263,197	-	263,197
	2,452,796	-	2,452,796	2,298,274	-	2,298,274
Total Expenses	16,371,527	-	16,371,527	15,545,868	-	15,545,868
Changes in Net Assets	1,410,271	154,859	1,565,130	580,529	318,146	898,675
Net Assets, Beginning of Year	10,433,303	466,471	10,899,774	9,852,774	148,325	10,001,099
Net Assets, End of Year	\$ 11,843,574	\$ 621,330	\$ 12,464,904	\$ 10,433,303	\$ 466,471	\$ 10,899,774

See notes to financial statements

GRACE TO YOU

Statements of Cash Flows

	Year Ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,565,130	\$ 898,675
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	419,106	526,711
Amortization of loan fees	6,278	1,932
Gain on disposition of fixed assets	(2,195)	(106)
Loss on sales of investments	2,336	917
Gift in kind - stock	(79,306)	(39,613)
Gift in kind - other	(1,572)	(11,925)
Beneficial interest in trusts held by others received	(204,000)	(348,355)
Net changes in:		
Accounts receivable	650	36,137
Inventory	12,535	(11,837)
Prepaid expenses and other current assets	95,201	(10,181)
Accounts payable	231,760	(583,664)
Accrued payroll liabilities	22,880	(3,605)
Deferred revenue	182,776	830
Customer deposits	(151)	559
Net Cash Provided by Operating Activities	2,251,428	456,475
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment and improvements	(207,448)	(237,945)
Purchase of software and website development costs	-	(43,535)
Cash surrender value additions	(79,152)	(77,240)
Purchases of investments	(5,000,545)	(893,974)
Proceeds from sales of investments	718,542	2,198,509
Proceeds from disposition of fixed assets	2,195	106
Net Cash Provided by (Used in) Investing Activities	(4,566,408)	945,921
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	(1,267,992)	(378,744)
Net Cash Used in Financing Activities	(1,267,992)	(378,744)
Net Change in Cash and Cash Equivalents	(3,582,972)	1,023,652
Cash and Cash Equivalents, Beginning of Year	4,534,109	3,510,457
Cash and Cash Equivalents, End of Year	\$ 951,137	\$ 4,534,109

See notes to financial statements

GRACE TO YOU

Notes to Financial Statements

June 30, 2013 and 2012

1. NATURE OF ORGANIZATION:

Grace to You (GTY) was incorporated in 1986 in California as a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). It is also exempt from California state income taxes under Section 23701d of the California Revenue & Taxation Code. GTY has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code. Contributions by the public are deductible for income tax purposes.

GTY is a religious organization dedicated to teaching Biblical truth with clarity, taking advantage of various means of mass communications to expand the sphere of John MacArthur's Bible teaching ministry.

GTY uses mass communications media to expose John MacArthur's teaching to as wide an audience as possible "for the equipping of the saints for the work of service, to the building up of the body of Christ; until we all attain to the unity of the faith, and of the knowledge of the Son of God, to a mature man, to the measure of the stature which belongs to the fullness of Christ" (Ephesians 4:12-13 New American Standard Bible).

One of the principal tasks of GTY is to provide Biblically-based materials to protect believers from being "tossed here and there by waves, and carried about by every wind of doctrine, by the trickery of men, by craftiness in deceitful scheming" (Ephesians 4:14). GTY accepts the God-given responsibility of "speaking the truth in love" (Ephesians 4:15) and striving for the growth of the church and glory of the Lord, rather than the praise and honor of men.

The role of GTY is not to supplant the local church's ministry, but to support it by providing additional resources for those hungering for the truth of God's Word. GTY believes that media ministries can never substitute for involvement in a Biblical church, group Bible study, or interaction with a teacher. Yet there is the need for more in-depth resources, evidenced by the many Christians and Christian leaders worldwide who depend on this ministry to supplement their own study.

GTY distributes John MacArthur's material through its radio broadcasts, telecasts, Internet resources, and other media. The ministry produces and airs the following radio programs:

- "Grace to You" is a daily, half-hour radio program featuring sermons preached by John MacArthur. It airs more than 1,200 times each day.
- "Grace to You Weekend" is a weekly radio program that airs more than 870 times each weekend.
- "Portraits of Grace" is a daily, one-minute program offering brief devotional content. It airs nearly 800 times each day.
- "Bible Q & A with John MacArthur" is a daily, two-minute feature in which John MacArthur answers frequently asked Bible questions. It airs more than 400 times each day.

GRACE TO YOU

Notes to Financial Statements

June 30, 2013 and 2012

1. NATURE OF ORGANIZATION, continued:

In various combinations, those radio programs reach major population centers in the United States, as well as portions of Australia, Europe, Canada, the Philippines, Singapore, and South Africa. A Spanish version of the broadcast is heard an additional 1,066 times daily on 938 stations in 27 countries. GTY also distributes John MacArthur's messages via the Internet, compact discs, DVDs, and books as part of its exempt purpose. In addition, all sermons are available for free download at <http://www.gty.org>. During the years ended June 30, 2013 and 2012, approximately 20,642,000 and 15,394,000 messages were downloaded, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of GTY have been prepared according to accounting principles generally accepted in the United States of America. A summary of significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

For statements of financial position and cash flow purposes, cash and cash equivalents include cash on hand, cash on deposit, and money market accounts used for operations and certificates of deposit with an original maturity of 90 days or less. These accounts may, at times, exceed federally insured limits. GTY has not experienced any losses in such accounts. GTY continually monitors all accounts, assessing any potential risks and periodically re-balances its portfolio accordingly.

INVESTMENTS

Investments consist of certificates of deposit with maturities greater than 90 days and treasury bills and are reported at their contract rate on the statements of financial position. Investment income on the statements of activities includes interest income, dividends, and gains and losses from the sale of donated stock. Investment income is reported as an increase or decrease in unrestricted net assets unless a donor or law temporarily or permanently restricts its use.

INVENTORY

Inventory represents compact discs, books, hardware, software, DVDs, and shipping materials. As of June 30, 2013 and 2012, approximately 10% and 11% respectively of inventory consisted of Bible teaching material to give away and related shipping material, the balance of which is held for sale. All inventory is stated at cost using the first-in first-out method.

BENEFICIAL INTEREST IN TRUSTS HELD BY OTHERS

GTY is the named beneficiary of two irrevocable trusts. These beneficial interests are recorded as temporarily restricted net assets. At June 30, 2013 and 2012, the present value of the future payments on these trusts was \$552,355 and \$348,355, respectively. GTY is the named beneficiary of another trust that due to the uncertainty of future collections has not been recorded as of June 30, 2013.

GRACE TO YOU

Notes to Financial Statements

June 30, 2013 and 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

LAND, BUILDING, AND EQUIPMENT

Expenditures for land, building, and equipment with a cost greater than \$2,000 or with an estimated useful life greater than one year are capitalized at cost. Donated items are recorded at the fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets ranging from 36 months to 40 years.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statement of activities. As of June 30, 2013, GTY had no uncertain tax positions that qualify for recognition or disclosure in the financial statements. GTY files information tax returns in the U.S. and various states. GTY is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2009.

NET ASSETS

The financial statements report amounts by class of net assets:

Unrestricted net assets are those currently available at the discretion of the board for use in GTY's operations and those resources invested in land, building, and equipment. As of June 30, 2013 the board had designated \$100,000 as a grant to fund foreign translation and distribution of sermon audio.

Temporarily restricted net assets are those which are stipulated by donors to fund specific ministry programs.

All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to legal restrictions.

For contributions restricted by donors for the acquisition of land, buildings, equipment, or other long-lived assets, the restriction is considered to be met when the land, buildings, equipment, or other long-lived asset is placed into service.

PUBLIC SUPPORT, REVENUE, AND EXPENSES

GTY records contributions when cash has been received, or ownership of donated assets is transferred to GTY. In addition, GTY records contributions as temporarily restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions, or both. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as satisfaction of donor restrictions.

In certain circumstances, GTY is named as a beneficiary in a supporter's estate. Revenue is recognized from the estate when title is transferred or GTY's interest becomes irrevocable.

GRACE TO YOU

Notes to Financial Statements

June 30, 2013 and 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PUBLIC SUPPORT, REVENUE, AND EXPENSES, continued:

GTY receives non-cash gifts, which are recorded as support at the estimated fair market value on the date of the gift.

Revenue is recorded when earned. Expenses are recorded when incurred in accordance with accounting principles generally accepted in the United States of America.

The primary support for GTY comes from contributions, and sales of books, compact discs, and DVDs.

DONATED SERVICES

No amounts have been reflected in the financial statements for donated services in as much as no objective basis is available to measure the value of such services. GTY generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist GTY with specific activities. GTY receives more than 46,800 volunteer hours annually.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs, such as depreciation and payroll, have been allocated among the program services and supporting activities. The costs for ministry relations consist primarily of resources provided to constituents, which are reported as program services; the rest of these costs are administrative in nature.

RECLASSIFICATIONS

Certain amounts previously reported in the financial statements have been reclassified to conform to the current year presentation.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

GRACE TO YOU

Notes to Financial Statements

June 30, 2013 and 2012

3. LAND, BUILDING, AND EQUIPMENT:

Land, building, and equipment consist of the following:

	June 30,	
	2013	2012
Land	\$ 1,309,249	\$ 1,309,249
Building and improvements	4,625,296	4,577,843
Equipment and software	3,459,213	3,464,167
Vehicles	25,897	25,897
	<u>9,419,655</u>	<u>9,377,156</u>
Less accumulated depreciation	(4,420,080)	(4,165,923)
Total land, building, and equipment	<u>4,999,575</u>	<u>5,211,233</u>
Less debt secured by land, building, and improvements	-	(1,267,992)
	<u>\$ 4,999,575</u>	<u>\$ 3,943,241</u>

4. DEFERRED REVENUE:

GTY is sponsoring a conference in October 2013. Registration for the conference started in February 2013. As of June 30, 2013 deferred revenue included \$187,043 in registration fees.

5. NOTE PAYABLE:

The note payable consists of the following:

	June 30,	
	2013	2012
Note payable to a bank, secured by real property occupied by GTY, with interest at 4.95%. Monthly principal and interest payments were \$35,308. The note was to have matured in October 2015. The note was repaid in full on June 3, 2013.	\$ -	\$ 1,267,992
Less current portion	-	(336,943)
	<u>\$ -</u>	<u>\$ 931,049</u>
Cash paid for interest (none capitalized)	<u>\$ 51,679</u>	<u>\$ 73,462</u>

GTY has a line-of-credit for \$500,000 with a bank. Interest is at the bank's floating reference rate (3.25% at June 30, 2013), with a minimum rate of 4.00%. The line matures on October 1, 2015. As of June 30, 2013 and 2012, there was no balance on the line-of-credit.

GTY was in compliance with all financial and reporting covenants related to the note payable and line-of-credit as of June 30, 2013 and 2012.

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Notes to Financial Statements

June 30, 2013 and 2012

6. RETIREMENT PLAN:

GTY has an optional 403(b) retirement plan open to all eligible employees who wish to participate. GTY matches a pre-determined percentage of employee contributions. Contributions made by GTY during the years ended June 30, 2013 and 2012, were \$202,703 and \$197,052, respectively.

7. ALLOCATION OF JOINT COSTS:

GTY incurs costs for activities such as writing, publications, and radio broadcasting that include fundraising appeals. These costs are referred to as joint costs and are allocated to program, general and administrative, and fundraising activities.

Joint cost allocations are as follows:

	June 30,	
	2013	2012
Program services	\$ 5,657,139	\$ 5,319,391
Supporting activities:		
General and administrative	153,872	136,284
Fundraising	238,094	182,094
	<u>\$ 6,049,105</u>	<u>\$ 5,637,769</u>

8. AFFILIATE MINISTRIES:

GTY is affiliated with several ministries located in the United Kingdom, Canada, and India. The activities of the affiliates are not included in these financial statements because GTY does not control the affiliates. Total support paid to and on behalf of the affiliates for the years ended June 30, 2013 and 2012, was \$520,474 and \$437,197, respectively. GTY anticipates continuing to support the affiliates in the United Kingdom, Canada, and India, but has no contractual obligation to do so. As of June 30, 2013 and 2012, Grace to You Canada owed GTY \$43,246 and \$54,522, respectively.

9. RELATED PARTY TRANSACTIONS:

Certain members of GTY's board of directors act in a similar capacity on the governing boards of other related organizations, including Grace Community Church of the Valley (the Church), The Master's College and Seminary (the College), the Spurgeon Archive, and The Master's Academy International (TMAI). The activities of the Church, the College, the Spurgeon Archive, and TMAI are not included in these financial statements because there is no common control between these entities. As of June 30, 2013 and 2012, the Church, the College, the Spurgeon Archive, and TMAI owed GTY a net balance of \$16,145 and \$2,535, respectively. GTY also paid the Church for expenses incurred on behalf of a conference in September 2011, as well as other items. Total amounts paid by GTY to the Church for the years ended June 30, 2013 and 2012, were \$10,834 and \$215,867, respectively. In addition, GTY provides free office space to TMAI.

GRACE TO YOU

Notes to Financial Statements

June 30, 2013 and 2012

9. RELATED PARTY TRANSACTIONS, continued:

Most of the materials sold by GTY have been developed by the pastor-teacher of the Church. Master recordings of sermons preached at the Church by the pastor-teacher are provided to GTY at no cost. The sermon recordings are included in the pastor-teacher's intellectual property rights. GTY does not pay any royalties related to the sale of recordings. Sales of recorded sermons for the years ended June 30, 2013 and 2012, were \$353,217 and \$412,631, respectively. Purchases of materials from a ministry run by the Church were \$5,800 and \$31,111 for the years ended June 30, 2013 and 2012, respectively.

GTY entered into a fixed price contract, renewed annually with an entity owned by a family member of the GTY president to provide video production services to GTY. Amounts paid by GTY to this entity for the years ended June 30, 2013 and 2012, were \$709,660 and \$674,850, respectively. In connection with this contract, GTY hired an independent consultant to determine a reasonable compensation for the services performed.

Ambassador Advertising Agency (Ambassador) syndicates the GTY radio program. The retired founder of Ambassador is also a member of the GTY board of directors. As of June 30, 2013 and 2012, GTY had paid Ambassador \$3,661,949 and \$3,680,152, respectively.

GTY owns a key-man insurance policy (the Policy) on its president. One of the principals of the insurance broker used to acquire the Policy is an immediate family member of GTY's president. However, premium payments are made directly to the insurance company and not to the insurance broker. Any commission paid to the broker is paid directly by the insurance company.

10. 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.

SUPPLEMENTAL INFORMATION

GRACE TO YOU

Supplemental Schedules of Income and Expenses by Natural Classification

	Year Ended June 30,			
	2013		2012	
SUPPORT AND REVENUE:				
Contributions	\$ 16,053,572	89.5%	\$ 14,504,139	88.2%
Sales	1,487,021	8.3%	1,554,637	9.5%
Refund, reimbursement, and other income	269,741	1.5%	249,523	1.5%
Subscription income	25,395	0.1%	22,916	0.1%
Royalties income	14,532	0.1%	22,202	0.1%
Investment income	86,396	0.5%	91,126	0.6%
Total Support and Revenue	17,936,657	100.0%	16,444,543	100.0%
EXPENSES:				
Asset disposal	-	0.0%	3,381	0.0%
Bad debts	5,010	0.0%	1,105	0.0%
Bank charges	190,514	1.1%	147,008	0.9%
Building and equipment maintenance	456,512	2.6%	469,357	2.9%
Conferences and retreats	146,451	0.8%	409,168	2.5%
Cost of goods sold	878,875	4.9%	737,572	4.5%
Depreciation and amortization	425,384	2.4%	528,643	3.2%
Foreign ministry support	434,677	2.4%	316,695	1.9%
Insurance	90,596	0.5%	51,694	0.3%
Interest expense	52,993	0.3%	73,524	0.5%
Ministry relations	87,869	0.5%	68,150	0.4%
Payroll and benefits	4,658,213	26.0%	4,585,693	27.9%
Payroll and benefits reclassified	(35,846)	-0.2%	(21,897)	-0.1%
Postage and shipping	1,332,494	7.4%	1,099,590	6.7%
Printing and graphics	855,636	4.8%	730,506	4.4%
Professional services	97,537	0.5%	84,463	0.5%
Radio air time	4,224,041	23.6%	4,179,040	25.4%
Radio production	242,043	1.3%	216,603	1.3%
Resources given away	1,050,851	5.9%	737,392	4.5%
Supplies	89,033	0.5%	71,889	0.4%
Telephone and utilities	233,833	1.3%	241,094	1.5%
TV air time	132,670	0.7%	120,280	0.7%
TV production	722,141	4.0%	694,918	4.2%
Total Expenses	16,371,527	91.3%	15,545,868	94.5%
Changes in Net Assets	\$ 1,565,130	8.7%	\$ 898,675	5.5%

GRACE TO YOU

Supplemental Schedules of Functional Expenses by Natural Classification

	Year Ended June 30, 2013				Year Ended June 30, 2012			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Asset disposal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,381	\$ -	\$ 3,381
Bad debts	-	5,010	-	5,010	-	1,105	-	1,105
Bank charges	-	190,514	-	190,514	-	147,008	-	147,008
Building and equipment maintenance	341,352	111,100	4,060	456,512	346,870	115,664	6,823	469,357
Conferences and retreats	111,033	34,204	1,214	146,451	367,148	41,069	951	409,168
Cost of goods sold	875,582	3,293	-	878,875	728,319	9,253	-	737,572
Depreciation and amortization	346,176	76,220	2,988	425,384	438,583	85,286	4,774	528,643
Foreign ministry support	434,677	-	-	434,677	316,695	-	-	316,695
Insurance	-	90,596	-	90,596	-	51,694	-	51,694
Interest expense	45,477	6,999	517	52,993	63,178	9,612	734	73,524
Ministry relations	85,349	1,366	1,154	87,869	66,403	1,738	9	68,150
Payroll and benefits	3,374,046	1,213,571	70,596	4,658,213	3,317,914	1,202,022	65,757	4,585,693
Payroll and benefits reclassified	(26,140)	(9,476)	(230)	(35,846)	(21,897)	-	-	(21,897)
Postage and shipping	1,116,481	108,127	107,886	1,332,494	937,017	92,644	69,929	1,099,590
Printing and graphics	692,662	76,904	86,070	855,636	587,360	74,184	68,962	730,506
Professional services	-	97,537	-	97,537	-	84,463	-	84,463
Radio air time	4,181,801	-	42,240	4,224,041	4,137,250	-	41,790	4,179,040
Radio production	242,043	-	-	242,043	216,603	-	-	216,603
Resources given away	1,050,851	-	-	1,050,851	737,392	-	-	737,392
Supplies	-	89,033	-	89,033	-	71,889	-	71,889
Telephone and utilities	193,857	37,773	2,203	233,833	194,764	44,065	2,265	241,094
TV air time	131,343	-	1,327	132,670	119,077	-	1,203	120,280
TV production	722,141	-	-	722,141	694,918	-	-	694,918
Total Expenses	\$ 13,918,731	\$ 2,132,771	\$ 320,025	\$ 16,371,527	\$ 13,247,594	\$ 2,035,077	\$ 263,197	\$ 15,545,868