

Preface for Treasurer's Report from the Director

The pages that follow include the Treasurer's report that CHRISTWORKS MINISTRIES. It was submitted to the proper authorities in the Commonwealth of Virginia for our last fiscal year that ended at the end of July 2011. No I.R.S. report, such as the 990 that was submitted for previous years, was submitted for the last fiscal year since our contribution level is now well below the limit that requires it. Instead, we submit an e-postcard that essentially says that we still exist as a non-profit but our contributions are below the government's threshold for more detail.

Within a short time after the treasurer's report was submitted, the board for the ministry met to discuss the Treasurer's report as well as the projected activity for the coming year. While we are rapidly depleting available funds, we have enough to complete the Philippine project. 2012 will be filled with activities related to that project, as the Treasurer's report also cites.

If the reader has any questions, feel free to send us an email using the contact page on this web site.

Thank you for reading.

Roland Beard
Director

CHRISTWORKS MINISTRIES

CHRISTWORKS MINISTRIES TREASURER'S REPORT

Fiscal Year: August 1, 2010 to July 31, 2011

Reference and attachment: Balance Sheet and Profit/Loss Statement from Quick Books recorded records, dated December 10, 2011

1. The Profit and Loss Statement shows the fiscal year summary excluding depreciation and Gifts in Kind. Depreciation is about \$2000. Gifts in kind were \$3030 as estimated on the year-end activity report (not attached). The total for cash contributions and gifts in kind is \$9280.
2. All months during the fiscal year were reconciled in Quick Books without issue. Since this is the 3rd consecutive fiscal year in which contributions (including Gifts in Kind) were well below \$25000, we expected that a 990EZ would not have to be filed.
3. All records were turned over to Roy Carter, CPA, P.C., for review in November 2011. On December 9, 2011 he confirmed that a 990EZ was not required and had no corrections to recommend on our Quick Books records. He is available for further consultation if it is required. He provided guidance for filing the 990N with the I.R.S. A 990N was submitted on December 10, 2011 and accepted by the I.R.S. on December 12, 2011.
4. The following comments are made on the Profit and Loss Statement:
 - a. The categories of expenditures show totals in keeping with the last two fiscal years. The primary projects in Mercy Ministries constitute the bulk of expenditures. The Philippine Project was the most dominant expenditure, as expected from the level of activity to assist a large foundation of schools in the Philippines.
 - b. Net income for the ministry continues to show that expenditures exceed income by a margin of over 2 to 1. The difference has been compensated by using funds from investment account, but the balance of that account is rapidly decreasing as well.
 - c. At the end of July 2011, the investment account balance was less than \$37000—down from about \$56000 the year before. At the end of November 2011 the balance is about \$31000.
 - d. In conclusion, the project work continues to be made possible by transfers from investments. The cash contributions are not large enough to cover general and operating costs—much less project work.
5. The following comment is offered relative to the future:
 - a. The ministry has committed itself to completing the Philippines Project during the next 18 months because of its value to a large number of needy schools and children in the Philippines. The expenditures for the current fiscal year for the project will exceed last year, so while the payoff will be high, the funding for the ministry as a whole—assuming no change in

contributions—is projected to reach a critical point in early 2013—about the time the project is expected to be completed.

- b. This estimate presumes no significant change in expenses related to other categories and no significant change in cash contributions.
6. Recommendations: The board should review financial status in late 2012. This will permit a review of the financial situation and a plan of attack for 2013.

Copies to:

Board members, for joint discussion at the December 2011 board meeting

CWM fiscal year records

Va. Dept of Agriculture and Consumer Affairs Services as an attachment to Form 102

Original: signed and certified by Ronald F. Hardy, Treasurer, and Roland K. Beard, President

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