



GOOD SHEPHERD
COMMUNITY CHURCH

**ACCOUNTANT'S REVIEW REPORT
AND
FINANCIAL STATEMENTS**

JUNE 30, 2009 AND 2008

ACCOUNTANT'S REVIEW REPORT

To the Board of Elders
Good Shepherd Community Church

We have reviewed the accompanying statements of financial position of Good Shepherd Community Church (the Church) as of June 30, 2009 and 2008 and the related statements of activities and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Church.

A review consists principally of inquiries of Church personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Moss Adams LLP
Portland, Oregon
September 8, 2009

**GOOD SHEPHERD COMMUNITY CHURCH
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	JUNE 30,	
	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,721,058	\$ 2,197,612
Other current assets	<u>27,930</u>	<u>29,297</u>
Total current assets	<u>1,748,988</u>	<u>2,226,909</u>
PROPERTY AND EQUIPMENT		
Land	3,352,539	3,357,158
Buildings	12,411,576	12,351,558
Equipment	1,017,367	1,020,041
Furniture	249,547	271,294
Vehicles	72,336	72,336
Construction in progress	<u>339,908</u>	<u>255,372</u>
	17,443,273	17,327,759
Less accumulated depreciation	<u>5,771,027</u>	<u>5,205,434</u>
Total Property and Equipment	<u>11,672,246</u>	<u>12,122,325</u>
OTHER ASSETS		
Deferred compensation	<u>668,789</u>	<u>793,304</u>
Deposits	<u>63,152</u>	<u>101,104</u>
Total Other Assets	<u>731,941</u>	<u>894,408</u>
Total assets	<u><u>\$ 14,153,175</u></u>	<u><u>\$ 15,243,642</u></u>

**GOOD SHEPHERD COMMUNITY CHURCH
STATEMENTS OF FINANCIAL POSITION**

LIABILITIES AND NET ASSETS

	JUNE 30,	
	2009	2008
CURRENT LIABILITIES		
Accounts payable	\$ 66,231	\$ 131,089
Accrued liabilities	169,823	174,873
Deferred revenue	56,679	52,486
Other liabilities	-	3,715
Current portion of note payable	-	447,000
Current portion of contract payable	3,700	4,800
Current portion of loan payable	85,569	66,470
	<u>382,002</u>	<u>880,433</u>
 LONG-TERM LIABILITIES , net of current portion		
Deferred compensation liability	668,789	793,304
Contract payable	-	3,700
Loan payable	1,087,399	1,399,230
	<u>1,756,188</u>	<u>2,196,234</u>
Total long term liabilities	<u>1,756,188</u>	<u>2,196,234</u>
Total liabilities	<u>2,138,190</u>	<u>3,076,667</u>
 NET ASSETS		
Unrestricted	11,403,545	11,532,585
Temporarily restricted	611,440	634,390
	<u>12,014,985</u>	<u>12,166,975</u>
Total net assets	<u>12,014,985</u>	<u>12,166,975</u>
Total liabilities and net assets	<u>\$ 14,153,175</u>	<u>\$ 15,243,642</u>

GOOD SHEPHERD COMMUNITY CHURCH
STATEMENTS OF ACTIVITIES

	YEAR ENDED JUNE 30,	
	2009	2008
UNRESTRICTED NET ASSETS		
Revenue and other support		
Contributions	\$ 4,130,706	\$ 4,605,169
Ministry and missions income	278,877	400,326
Tuition and registration	694,605	683,287
Net assets released from restrictions	762,313	1,282,672
Other		
Interest income	50,278	58,896
Miscellaneous income	16,682	25,635
	<u>5,933,461</u>	<u>7,055,985</u>
Program expenses		
Pastoral life and support	2,819,087	2,943,725
Ministry and missions expense	1,275,763	1,601,931
School payroll and operating expenses	669,001	702,400
Supporting services		
General and administrative	530,739	542,585
Depreciation	680,752	715,268
Interest expense	84,715	146,680
Other		
(Gain) or Loss on sale of assets	2,444	(84,059)
	<u>6,062,501</u>	<u>6,568,530</u>
Change in unrestricted net assets	<u>(129,040)</u>	<u>487,455</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	739,363	1,078,129
Net assets released from restrictions	(762,313)	(1,282,672)
Change in temporarily restricted net assets	<u>(22,950)</u>	<u>(204,543)</u>
CHANGE IN NET ASSETS	(151,990)	282,912
NET ASSETS, beginning of year	<u>12,166,975</u>	<u>11,884,063</u>
NET ASSETS, end of year	<u>\$ 12,014,985</u>	<u>\$ 12,166,975</u>

**GOOD SHEPHERD COMMUNITY CHURCH
STATEMENTS OF CASH FLOWS**

	YEAR ENDED JUNE 30,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (151,990)	\$ 282,912
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	680,752	715,268
(Gain)/Loss on sale of other assets	2,444	(84,059)
Donated investments	(8,736)	(30,410)
Donated property and equipment	-	(1,600)
Changes in assets and liabilities		
Other current assets	1,367	(7,237)
Deposits	37,952	(3,154)
Accounts payable	(64,858)	(44,681)
Accrued liabilities	(5,050)	(7,025)
Deferred revenue	4,193	(24,885)
Other liabilities	(3,715)	(2,400)
Net cash from operating activities	<u>492,359</u>	<u>792,729</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investments	8,736	30,410
Proceeds from sale of investment property	-	896,664
Proceeds from sale of property and equipment	950	2,700
Purchase of property and equipment	(234,067)	(608,747)
Net cash from investing activities	<u>(224,381)</u>	<u>321,027</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	(447,000)	(183,082)
Payments on contract payable	(4,800)	(4,800)
Payments on loan payable	(292,732)	(439,413)
Net cash from financing activities	<u>(744,532)</u>	<u>(627,295)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(476,554)	486,461
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,197,612</u>	<u>1,711,151</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,721,058</u>	<u>\$ 2,197,612</u>
SUPPLEMENTAL DISCLOSURE OF INTEREST PAID		
Cash paid for interest	<u>\$ 84,715</u>	<u>\$ 146,680</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Transfer of property taxes due on Compton property	<u>\$ -</u>	<u>\$ 8,169</u>
Purchase of property and equipment with note payable	<u>\$ -</u>	<u>\$ 450,000</u>

See accountant's review report and accompanying notes.