

**INTERNATIONAL INSTITUTE FOR
CHRISTIAN STUDIES AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2012
With
Independent Auditor's Report**

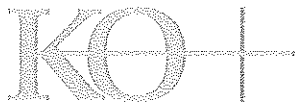
**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012

CONTENTS

| | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report | 1 |
| Financial Statements: | |
| Consolidated Statement of Financial Position | 2 - 3 |
| Consolidated Statement of Activities..... | 4 |
| Consolidated Statement of Cash Flows | 5 |
| Notes to Consolidated Financial Statements | 6 - 13 |
| Supplemental Information: | |
| Consolidated Supplemental Schedule of Expenses | 14 - 16 |



Keller & Owens, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
International Institute for Christian Studies

We have audited the accompanying consolidated statement of financial position of **International Institute for Christian Studies and Subsidiary** (non-profit organizations) (the Organization) as of June 30, 2012, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2011 consolidated financial statements and, in our report dated September 22, 2011, we expressed an unqualified opinion on those financial statements.

We have conducted our audit 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, the evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of **International Institute for Christian Studies and Subsidiary** as of June 30, 2012, and the results of its consolidated operations and consolidated cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidated schedule of operating expenses on pages 14 to 16 is presented for the purpose of additional analysis and is not a required part of the basic 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 consolidated 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.

November 6, 2012

10955 Lowell Avenue, Suite 800 • Overland Park, Kansas 66210

(913) 338-3500 • FAX (913) 338-0416 • e-mail ko@kellerowens.com • www.kellerowens.com

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2012**

(With comparative totals as of June 30, 2011)

ASSETS

| | 2012 | 2011 |
|--|--------------|--------------|
| Current Assets: | | |
| Cash and cash equivalents | \$ 980,802 | \$ 907,362 |
| Receivables: | | |
| Pledges, less allowance for doubtful pledges | 17,026 | 11,710 |
| Other receivables | 337 | 414 |
| Prepaid expenses | 7,440 | 7,844 |
| Inventory | 3,736 | 3,736 |
| Restricted cash held for College Allowance Fund | 43,626 | 40,669 |
| Total Current Assets | 1,052,967 | 971,735 |
| Pledges Receivable | 6,450 | 3,950 |
| Deposits with Others | 2,775 | 2,775 |
| Beneficial Interest in Community Foundation | 2,500 | 2,500 |
| Furniture and Equipment, less accumulated depreciation of \$163,317 in 2012 and \$153,264 in 2011. | 13,840 | 19,986 |
| Total Assets | \$ 1,078,532 | \$ 1,000,946 |

See accompanying notes

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
June 30, 2012

(With comparative totals as of June 30, 2011)

LIABILITIES AND NET ASSETS

| | 2012 | 2011 |
|--------------------------------------|--------------|--------------|
| Current Liabilities: | | |
| Accounts payable | \$ 31,270 | \$ 80,734 |
| Accrued expenses | 46,954 | 40,487 |
| Deferred revenue | 17,675 | 2,579 |
| Liability for College Allowance Fund | 43,626 | 40,669 |
| Capital lease payable | - | 1,487 |
| Total Current Liabilities | 139,525 | 165,956 |
| Net Assets: | | |
| Temporarily restricted | 192,500 | 248,278 |
| Unrestricted: | | |
| Net investment in equipment | 13,840 | 18,499 |
| Board designated | 309,346 | 372,840 |
| Undesignated | 423,321 | 195,373 |
| Total Unrestricted Net Assets | 746,507 | 586,712 |
| Total Net Assets | 939,007 | 834,990 |
| Total Liabilities and Net Assets | \$ 1,078,532 | \$ 1,000,946 |

See accompanying notes

INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES Year Ended June 30, 2012

(With comparative totals for the year ended June 30, 2011)

| | 2012 | | 2011 Total |
|---------------------------------------|-------------------|---------------------------|-------------------|
| | Unrestricted | Temporarily Restricted | |
| Revenues: | | | |
| Contributions | \$ 1,867,644 | \$ 194,331 | \$ 1,837,258 |
| Administrative fees | 8,362 | - | - |
| Gifts-in-kind | 1,003,850 | - | 994,713 |
| Interest income | 645 | - | 1,199 |
| Vision Conference | 19,246 | - | 33,143 |
| Other income | 1,249 | - | 4,795 |
| Net assets released from restrictions | <u>250,109</u> | <u>(250,109)</u> | <u>-</u> |
| Total Revenues | 3,151,105 | (55,778) | 2,871,108 |
| Expenses: | | | |
| Program | 2,345,733 | - | 2,396,701 |
| Management and general | 520,997 | - | 439,381 |
| Fund-raising | 124,580 | - | 87,451 |
| Total Expenses | <u>2,991,310</u> | <u>-</u> | <u>2,923,533</u> |
| Change in Net Assets | 159,795 | (55,778) | (52,425) |
| Net Assets, Beginning of Year | <u>586,712</u> | <u>248,278</u> | <u>887,415</u> |
| Net Assets, End of Year | <u>\$ 746,507</u> | <u>\$ 192,500</u> | <u>\$ 834,990</u> |

See accompanying notes

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2012**

(With comparative totals for the year ended June 30, 2011)

| | 2012 | 2011 |
|---|------------|-------------|
| Cash Flows from Operating Activities: | | |
| Change in Net Assets | \$ 104,017 | \$ (52,425) |
| Adjustments to Reconcile Change in Net Assets | | |
| To Net Cash Provided by Operating Activities: | | |
| Depreciation | 10,705 | 13,043 |
| Loss on sale of equipment | 822 | - |
| Change in: | | |
| Pledges receivable, net | (7,816) | 38,635 |
| Other receivables, deposits and advances | 77 | (414) |
| Prepaid expenses | 404 | 11,998 |
| Accounts payable | (49,464) | 48,878 |
| Accrued expenses and deferred revenue | 21,563 | (21,700) |
| Net Cash Provided by Operating Activities | 80,308 | 38,015 |
| Cash Flows from Investing Activities: | | |
| Purchases of furniture and equipment | (5,381) | (10,889) |
| Net Cash Used by Investing Activities | (5,381) | (10,889) |
| Cash Flows from Financing Activities: | | |
| Payments on capital lease | (1,487) | (3,497) |
| Net Cash Used by Financing Activities | (1,487) | (3,497) |
| Net Increase in Cash and Cash Equivalents | 73,440 | 23,629 |
| Cash and Cash Equivalents, Beginning of Year | 907,362 | 883,733 |
| Cash and Cash Equivalents, End of Year | \$ 980,802 | \$ 907,362 |

See accompanying notes

INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization - International Institute for Christian Studies (the "Institute") was formed in 1986 with its sole program being to disciple and train leaders by teaching Christian studies in leading universities in every country around the world. The Institute assists universities primarily by providing professors and resources in Christian studies and a broad range of other disciplines, and by establishing Departments of Christian Studies and other related programs. The Institute operates from an administrative office in Overland Park, Kansas. The Institute operates under the pseudonym of International Center for Christian Education in the Country of Nigeria.

Organization - Cooperative Studies, Inc. (the "Subsidiary") was formed in 2001 as a not-for-profit organization to improve the quality of leadership worldwide by placing faculty with academic and moral excellence at targeted universities.

Basis of Accounting and Financial Statement Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958-210. Under FASB ASC 958-210, the Organization 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.

Unrestricted net assets are those currently available at the discretion of the governing body for use in the entity's operations and those resources invested in land, buildings and equipment.

Temporarily restricted net assets are those which are stipulated by donors for specific operating purposes, special projects, or for the acquisition or construction of land, buildings and equipment.

Permanently restricted amounts are those restricted by donors in perpetuity as endowments or irrevocable trusts. At June 30, 2012 and 2011, there were no permanently restricted net assets.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2011 from which the summarized information was derived.

INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2012

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Organization considers cash in bank and money market funds to be cash equivalents. Restricted cash held for the College Allowance Fund is not considered a cash equivalent.

The Organization maintains its cash balances in a financial institution located in the Kansas City area. The non-interest bearing transaction accounts are fully insured under the Federal Deposit Insurance Corporation's (FDIC's) Transaction Account Guarantee Program. This unlimited coverage is in effect until December 31, 2012. The Organization also holds money market funds in several banks located throughout the United States through an investment firm. To the extent not covered by FDIC insurance, these funds are protected by the Securities Investor Protection Corporation or by private insurance obtained by the investment firm from Lloyd's of London.

Contributions - The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, whether when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Significant estimates incorporated into the Organization's consolidated financial statements include the timing and collectability of pledges receivable, the useful lives of furniture and equipment and the estimated fair value of professors' gift-in-kind salaries. Actual results could differ from those estimates.

Functional Allocation of Expenses - The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited according to formulas developed by management to appropriately reflect actual costs and efforts expended on each program or supporting service.

INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2012

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue – The Organization receives registration income prior to year-end for the Vision Conference held the following year. Accordingly, the Organization reports this income as deferred until the year of the Conference.

Financial Instruments - The carrying amounts of financial instruments including cash and cash equivalents, receivables, accounts payable, capital lease payable, accrued expenses, and the assets within the College Allowance Fund approximated fair value as of June 30, 2012 due to their short-term nature. The beneficial interest in the community foundation is stated at cost.

Furniture and Equipment - Furniture and equipment is recorded at cost or, if donated, at estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. The Organization follows the practice of capitalizing all expenditures for equipment with an extended life in excess of \$1,000. These assets are depreciated on the straight-line method over their estimated useful lives, ranging from three to seven years.

Gifts-in-Kind - The Organization recognizes the fair value of donated services that create or enhance nonfinancial 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. The value of contributed time not meeting the criteria outlined above is not reflected in these statements.

Gifts-in-kind also include donated stock and merchandise such as computers, office supplies and books used in the operation of the Organization's programs. All such gifts are recorded at their estimated fair value at the date of donation.

Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income, if any. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Among other things, the Organization is exempt from income, FUTA, and state and local real estate taxes.

The Organization has adopted the provisions of FASB ASC 740-10 as it might apply to the Organization's financial transactions. The Organization's policy is to record a liability for any tax position that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2012 and, accordingly, no liability has been accrued. However, tax years through June 30, 2012 remain subject to IRS examination.

INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2012

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory – Inventory consists primarily of books and is stated at the lower of cost or market value using the first-in, first-out method.

Pledged Contributions Receivable - Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions upon which they depend are substantially met. Unconditional promises to give, due in the next year, are recorded at their net realizable value. Unconditional promises to give, due in subsequent years, are reported at the present value of their net realizable value.

Pledges receivable are for pledges that are due within one to five years, and are stated at the pledge amount. The allowance for uncollectible pledges is based on management's assessment of the collectability of specific donors' pledges and the aging of pledges receivable. All pledges or portions thereof, deemed to be uncollectible, are written off to the allowance for uncollectible pledges.

Principles of Consolidation – The financial statements include the accounts of the Institute and the Subsidiary. All material inter-organization transactions have been eliminated.

Subsequent Events – Management has evaluated events and transactions that have occurred since June 30, 2012 and reflected their effects, if any, in these financial statements through November 6, 2012, the date the financial statements were available to be issued.

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012

2. PLEDGES RECEIVABLE

Unconditional promises to give are summarized as follows:

| | 2012 | 2011 |
|---|-----------|-----------|
| Total pledges receivable | \$ 23,776 | \$ 15,960 |
| Less: allowance for uncollectible pledges | 300 | 300 |
| Net pledges receivable | 23,476 | 15,660 |
| Less: pledges receivable, current portion | 17,026 | 11,710 |
| Pledges receivable, long-term | \$ 6,450 | \$ 3,950 |
| Amounts due in: | | |
| Less than one year | \$ 17,326 | \$ 12,010 |
| One to five years | 6,450 | 3,950 |
| Total Pledges Receivable | \$ 23,776 | \$ 15,960 |

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30:

| | | |
|---|------------|------------|
| AIDS Projects | \$ 3,234 | \$ 8,568 |
| Beneficial interest in Community Foundation | 2,500 | 2,500 |
| Building Fund | 59,563 | 59,561 |
| Christian Religious Knowledge | 36,490 | 36,490 |
| Cornerstone Grant | 1,680 | 1,680 |
| Development Director | 46,800 | - |
| Global Expansion | - | 876 |
| Global Partnership Fund | 4,240 | 4,240 |
| Leadership Development Fund | 14,747 | 73 |
| Memorial Fund | 313 | 313 |
| Patterson International Scholarship Fund | 450 | 450 |
| Recruiting | - | 123,044 |
| Strategic Opportunities Fund | 10,483 | 10,483 |
| Tyndale Grant | 12,000 | - |
| Total Temporarily Restricted Net Assets | \$ 192,500 | \$ 248,278 |

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012

4. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and are categorized as follows:

| | <u>2012</u> | <u>2011</u> |
|---|-------------------|-------------------|
| AIDS Projects | \$ 5,333 | \$ - |
| Building Fund | - | 17 |
| Cornerstone Grant | - | 5,230 |
| Global Expansion | 87,476 | 56,560 |
| Global Scholars Fund | - | 58,662 |
| Leadership Development Fund | 34,256 | 66,234 |
| Memorial Fund | - | 113 |
| Nigerian Textbook Fund | - | 11,400 |
| Patterson International Scholarship Fund | - | 2,843 |
| Recruiting | 123,044 | 4,540 |
| Strategic Opportunities Fund | - | 4,120 |
| | <u> </u> | <u> </u> |
| Total Net Assets Released from Restrictions | <u>\$ 250,109</u> | <u>\$ 209,719</u> |

5. UNRESTRICTED NET ASSETS

Board designated net assets are available for the following purposes at June 30:

| | | |
|---|-------------------|-------------------|
| Afghanistan and related professors | \$ 1,702 | \$ 1,702 |
| Africa and related professors | 51,499 | 46,392 |
| Asia and related professors | 35,205 | 32,288 |
| Canada | 1,326 | 1,325 |
| Central Asia and related professors | 11,681 | 26,242 |
| China and related professors | 68,330 | 102,411 |
| Creative Access - General and North Korea | 5,612 | 6,570 |
| Europe and related professors | 83,763 | 80,710 |
| Expansion/International Relations | 10,373 | 12,358 |
| Mideast fund | 10,730 | 14,455 |
| Other professors not assigned | 19,275 | 27,245 |
| South America and related professors | 9,850 | 21,142 |
| | <u> </u> | <u> </u> |
| Total Board Designated Net Assets | <u>\$ 309,346</u> | <u>\$ 372,840</u> |

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012

6. EMPLOYEE BENEFITS

The Organization established a retirement plan under Internal Revenue Code Section 403(b), effective July 1, 2001. The Plan covers all employees who meet certain service requirements. The Organization will match employee contributions up to 5% of compensation each year, subject to IRC limitations. For the years ended June 30, 2012 and 2011, respectively, the Organization contributed \$33,280 and \$31,055 to the retirement plan.

The Organization has established a College Allowance Fund to assist in the education of children of overseas personnel. Eligible overseas personnel can contribute a portion of their salary with the Organization matching up to 2% of their salary. For the years ended June 30, 2012 and 2011, the Organization contributed \$1,061 and \$917 respectively, to the fund. In addition to the College Allowance Fund, the Organization paid during fiscal 2012 and 2011, respectively, \$33,456 and \$40,515 of college tuition for the children of employees and \$7,200 and \$2,400 in educational loan repayment to employees.

7. JOINT COSTS

The Organization incurred joint costs for informational materials and activities that included fund-raising appeals. These joint costs were allocated as follows:

| | <u>Vision Conference and Retreats</u> | <u>Newsletter and Mailings</u> | <u>Website</u> | <u>Total</u> |
|------------------------|---|--|------------------|-------------------|
| <u>2012</u> | | | | |
| Program | \$ 45,371 | \$ 10,171 | \$ 13,684 | \$ 69,226 |
| Management and general | 3,033 | 1,453 | 5,718 | 10,204 |
| Fund-raising | <u>5,778</u> | <u>6,494</u> | <u>5,008</u> | <u>17,280</u> |
| Total Joint Costs | <u>\$ 54,182</u> | <u>\$ 18,118</u> | <u>\$ 24,410</u> | <u>\$ 96,710</u> |
| <u>2011</u> | | | | |
| Program | \$ 71,002 | \$ 12,315 | \$ 16,410 | \$ 99,727 |
| Management and general | 5,615 | 2,461 | 5,713 | 13,789 |
| Fund-raising | <u>8,543</u> | <u>11,106</u> | <u>5,444</u> | <u>25,093</u> |
| Total Joint Costs | <u>\$ 85,160</u> | <u>\$ 25,882</u> | <u>\$ 27,567</u> | <u>\$ 138,609</u> |

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012

8. COMMITMENTS

The Organization entered into office space and equipment leases and amendments, classified as operating leases. Rent expense for the years ended June 30, 2012 and 2011 were \$31,687 and \$33,182, respectively. The future minimum lease payments under the operating leases are as follows:

| | |
|-------------------------------------|-----------------|
| <u>Years Ended June 30,</u> 2013 | \$ <u>7,997</u> |
| Total Minimum Lease Payments | \$ <u>7,997</u> |

9. RELATED PARTY TRANSACTIONS

Included in the accounts payable balance as of June 30, 2012 and 2011, were \$20,943 and \$68,062 payable to employees for reimbursement of expenses, respectively.

SUPPLEMENTAL INFORMATION

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

CONSOLIDATED SUPPLEMENTAL SCHEDULE OF EXPENSES

For the Year Ended June 30, 2012

(With comparative totals for the year ended June 30, 2011)

| | 2012 | 2011 |
|--------------------------------|---------|---------|
| Advertising | \$ 75 | \$ 450 |
| Automobile | 30,495 | 22,276 |
| Bank/finance charges | 18,811 | 16,403 |
| Books/publications | 4,805 | 32,078 |
| Cafeteria plan benefit | 2,814 | - |
| Compassion fund | 242 | 4,501 |
| Conferences/retreats | 4,844 | 5,380 |
| Contract labor | 3,369 | 416 |
| Consultation services | 314 | 207 |
| D&O insurance | 2,507 | 3,008 |
| Depreciation | 10,705 | 13,043 |
| Disability insurance | 1,721 | 1,691 |
| Education endowment | 1,061 | 917 |
| Education of children | 40,656 | 42,915 |
| Equipment - maintenance/repair | 3,098 | 1,885 |
| Equipment lease | 866 | 821 |
| Faculty housing | 86,659 | 75,981 |
| Faculty interview | 2,363 | 2,771 |
| Fees/licenses/visas | 7,581 | 4,762 |
| Fund-raising events | 2,470 | 2,287 |
| Fund-raising expense | 6,686 | 9,542 |
| Gifts | 6,028 | 3,787 |
| Health insurance | 179,859 | 133,686 |
| Honoraria | 1,161 | 1,827 |
| Housing setup allowance | 2,652 | 4,689 |
| Housing upkeep | 12,259 | 3,357 |
| Insurance | 5,821 | 5,294 |
| Interest expense | 25 | 190 |
| International staff | 13,312 | 8,988 |

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

CONSOLIDATED SUPPLEMENTAL SCHEDULE OF EXPENSES (continued)
For the Year Ended June 30, 2012

(With comparative totals for the year ended June 30, 2011)

| | 2012 | 2011 |
|---------------------------------|-----------|---------|
| Internet/website expenses | 11,400 | 19,257 |
| Language acquisition expense | 4,220 | 211 |
| Lodging/meeting room costs | 22,953 | 22,730 |
| Loss on disposal of assets | 822 | - |
| Meals/entertainment | 11,844 | 12,785 |
| Miscellaneous expenses | 581 | 53 |
| | | |
| Office expenses - miscellaneous | 39 | 40 |
| Office rent expense | 37,685 | 37,553 |
| Office supplies | 6,932 | 7,269 |
| Outfitting costs | 377 | 3,664 |
| Payroll outsourcing fees | 3,795 | 3,787 |
| Payroll tax | 73,756 | 66,705 |
| | | |
| Penalties | 2,383 | - |
| Personal property insurance | 417 | 271 |
| Planned giving materials | 450 | 1,800 |
| Postage | 11,349 | 16,638 |
| PR/communications | 7,989 | 5,610 |
| Printing | 6,770 | 9,245 |
| | | |
| Professional fees | 15,821 | 23,191 |
| Professional development | - | 6,045 |
| Program expense | - | 1,550 |
| Program grant | 48,304 | 51,336 |
| Research | 180 | 1,549 |
| Retirement benefits | 33,280 | 31,055 |
| | | |
| Salary | 1,037,448 | 966,285 |
| Salary - gifts-in-kind | 942,031 | 969,664 |
| Seminars | 2,016 | 445 |
| Shipping/moving | 449 | 14,604 |
| Small equipment purchases | 8,230 | 7,559 |
| Software supplies | 4,451 | 3,150 |

**INTERNATIONAL INSTITUTE FOR CHRISTIAN STUDIES
AND SUBSIDIARY**

CONSOLIDATED SUPPLEMENTAL SCHEDULE OF EXPENSES (continued)
For the Year Ended June 30, 2012

(With comparative totals for the year ended June 30, 2011)

| | <u>2012</u> | <u>2011</u> |
|-----------------------------|---------------------|---------------------|
| Software support contracts | 1,897 | 9,122 |
| State registration | 4,270 | 2,450 |
| Staff training | 313 | 180 |
| Storage expense | 1,139 | 865 |
| Taxes - Country of service | 4,223 | 6,771 |
| Telephone | 11,558 | 12,994 |
| Textbooks | 781 | 1,032 |
| Translation services | - | 413 |
| Travel-domestic | 27,502 | 28,827 |
| Travel - international | 103,113 | 72,084 |
| Travel - Country of service | 15,300 | 4,465 |
| Unemployment tax | 4,030 | 1,240 |
| Use tax | 181 | 69 |
| Utilities | 13,564 | 14,661 |
| VC orientation | 7,509 | 7,275 |
| Video | 1,835 | 471 |
| Vision conference | 41,138 | 67,655 |
| Web recruiting | - | 400 |
| Workers compensation | 3,726 | 5,356 |
| Total Expenses | <u>\$ 2,991,310</u> | <u>\$ 2,923,533</u> |