

Notes to the Chapel Library Financial Statement

We maintain a strict **separation between funds** for the local church ministry of Mount Zion Bible Church and the funds for the worldwide ministries, which include the literature, audio, prison, and internet ministries, *Free Grace Broadcaster*, *Studies in the Scriptures*, and Mount Zion Bible Institute. Money received from non-church members is put into the Chapel accounts and used exclusively for worldwide gospel outreach, unless designated otherwise.

Notes for 2019 Financial Statement

We are very grateful to the Lord for many blessings in 2019 and for His grace in continuing in our mission of sending Christ-centered literature worldwide free of charge. Individuals, pastors, missionaries, chaplains, and prison inmates in North America and 100 countries around the world made use of Chapel Library and Mt Zion Bible Institute resources. What a blessing!

A large **One-time Gift** at the end of 2018 made possible several **Capital Expense** purchases in 2019:

- a Sterling Digibinder perfect binder for paperback books
- a new Standard Horizon booklet maker for saddle stitched booklets
- four new digital printing machines (Canon) to take up our entire print volume

Notes for 2018 Financial Statement

Again we were encouraged to be able to send material to **104 countries** in 2018. Our partner ministry in Colombia, South America (also our most active distributor), increased their local print run every quarter to 5,000 copies.

For most of 2018 we had to outsource our paperback production, which slightly elevated our printing expense.

The **One-time Gifts** account is an arbitrary designation for gifts of \$1500 or more. The **Donations** account includes all donations less than \$1500, most of which are in the \$20-\$300 range.

Notes for 2017 Financial Statement

For a second year in a row we were blessed to send to **101 countries** around the world. We praise the Lord for several areas of increase in 2017:

- the highest number of **free orders** sent within North America since 2011
- the highest number of **prison** orders sent since 2011
- the largest value of orders ever sent **internationally** in one year (\$180K)
- the largest value of orders sent to prison **chaplains** since 2012
- the highest number of MZBI **courses** ever sent out in one year
- the highest number of MZBI courses sent **internationally** since 2011
- the year closed with an encouraging financial **balance** for which we praise and bless our gracious King Jesus!

The **One-time Gifts** account is an arbitrary designation for gifts of \$1500 or more. The **Donations** account includes all donations less than \$1500, most of which are in the \$20-\$300 range.

Following **Hurricane Harvey's** impact on Texas in August, we set up a fund to help affected churches. Over the following weeks, we collected \$4,724, and disbursed the entire amount to Christ Community Church in Houston to assist in their relief efforts.

Notes for 2016 Financial Statement

We are very thankful to the Lord that He provided for us to send large and small quantities of literature to 101 countries in 2016, as well as to prisons, churches, and ministries throughout the US.

The **One-time Gifts** account is an arbitrary designation for gifts of \$1500 or more. The **Donations** account includes all donations less than \$1500, most of which are in the \$20-\$300 range.

After the **flood in Louisiana** in August, 2016, we set up a Flood Relief Fund, under which we received \$14,067.20 designated gifts. By early 2017 we had disbursed the entire amount to New Covenant Church, Denham Springs, LA, and Friendship Baptist Church, Baker, LA.

Study Aid orders from prisoners have decreased significantly in the last few years. We are praying for increased interest from prisoners for good study resources. We offer study aids (concordances, Bible dictionaries, etc.) at our cost to prisoners for purchase.

Notes for 2015 Financial Statement

Our gracious Lord provided for Chapel Library and its ministries this year, with both a special increase in one-time larger gifts and a rise in regular gifts as well.

In early 2015, we purchased a new digital color printer (for covers) and a digital paperback printer/binder at the significantly discounted bundle price of just over \$58,000 (#7100 on the financial statement).

This year, we also began recording foreign printing into its own account (#7520 on the financial statement). While the majority of our production takes place at our facility in Pensacola, some of our distributors are now requiring enough volume of literature to justify local printing. This represents a significant reduction in direct costs to us and saves us time and effort as well.

Notes for 2014 Financial Statement

Through the Lord's abundant mercy, we saw an increase in giving at the very end of 2013. Therefore in 2014, you will notice we spent more on **printing**, **book purchases**, and **postage** as we increased our thresholds on these accounts to more normal levels.

We also experienced God's preserving hand in the flooding that came to Pensacola in April of 2014. Repairs following flood damage and termite damage in two staff residences account for the high figures in the **Capital Expenses** greater than \$1,000 and the **Housing Repairs** accounts.

Notes for 2013 Financial Statements

We praise the Lord for His abundant supply in 2013, especially in these economically difficult times.

Notes for 2012 Financial Statements

The **One-time Gifts** account is an arbitrary designation for gifts of \$1500 or more. The **Donations** account includes all donations less than \$1500, most of which are in the \$20-\$300 range.

Overall donations decreased in 2012 due, we believe, to the economic recession. We reduced our expenses accordingly: by reprinting only a six month supply of literature in order to save paper costs, by having our own staff maintain the grounds, by eliminating appearance at some conferences, and by reducing the amount of material we sent when requests were for "as much as you can send," primarily to chaplains and overseas outreach.

Notes for 2011 Financial Statements

The **One-time Gifts** account is an arbitrary designation for gifts of \$1500 or more. The **Donations** account includes all donations less than \$1500, most of which are in the \$20-\$300 range.

Capital expenses greater than \$1000 (account 7100) in 2011 included two projects: the fencing of a retention pond for safety, and the addition of three rolling ladders for additional safety in the warehouse.

Compensation increased due to the addition of two staff members in 2010, who were on the payroll for only part of 2010.

Notes for 2010 Financial Statements

Capital expenses greater than \$1000 (7100) in 2010 included three projects: 1) expansion of the mail room, including a new ceramic tile floor and remodeling two restrooms, 2) addition of a security alarm system, and 3) improved lighting in the front parking lot.

Postage and Printing costs both were up due to increased unit costs and the overall mailing of more materials.

Compensation increased due to the hiring of one additional permanent staff person in May, and six month's salary for Jonny White as we investigated the possibility of permanently adding Ekklesia Theological Seminary to the ministries.

Notes for 2009 Financial Statements

Capitalized expenses in 2009 included six major projects:

- 1) Purchase of a new color 45ppm copier (for printing booklet and paperback covers) for \$14,000
- 2) Purchase of a new black/white 95ppm copier with perfect binder (for printing start-to-finish paperbacks) for \$32,000
- 3) Replace a 17 year old heat and a/c unit in the bindery for \$6,000
- 4) Replace a compressor on the mailroom a/c unit for \$1,700
- 5) Remodel two restrooms in the mailroom for \$4,500 (including ceramic tile; both Chapel Library and the local church paid this amount which is 50% of the total)
- 6) Repair retaining wall for front parking lot for \$7,500 (CL and the local church each paid this amount, which is 50% of total)

Increased **postage and paper** expenses reflected sending 30% more material in 2009 over 2008. This was made possible by the two high-end copier purchases. We rejoice in this increase. It is the result of several years of developing new contacts with missionaries, Bible schools, and honorable native pastors overseas, and sending to them as much as we are able.

Increased **audio ministry** expenses reflect growing requests for CD and DVD materials, offsetting declining requests for audio cassette tapes.

Increased **conference** expenses reflect primarily the door opened to us to give literature away at four major new conferences.

Notes for 2008 Financial Statements

Capitalized expenses in 2008 included three major equipment purchases: 1) purchase of a new 35ppm walk-up copier for \$6,000; 2) purchase of a used postage machine for \$3,250; and 3) purchase of a used digital Platemaker in the print shop for \$7,500.

A larger than normal **bookstore** expense reflected a one-time investment in inventory for an expanded retail bookstore on-site. This bookstore is open to all visitors, and is a source for pastors to get hard-to-find reformed works. It is self-funded, with sales providing money for resupply purchases.

Increased **Direct Missions** expenses included start-up assistance provided to five international distributors in beginning their distribution of the *Free Grace Broadcaster*, in India, Kenya, Myanmar, Nigeria, and the Philippines. We also shipped used printing equipment (some donated to us) to our distributor in Nigeria: a press, small collator, and folder.

Notes for 2007 Financial Statements

Capital expense in 2007 includes three major equipment purchases:

- 1) Purchase of a new copier for \$6,000
- 2) Purchase of a used postage machine for \$3,250
- 3) Purchase of a used digital Platemaker in the print shop for \$7,500

Postage expenses increased due to the new rates which took effect 5/14/07. The major impact was a 30% increase in the library rate (which we use for 95% of our domestic mail), and a 300% increase in overseas mail (caused by the elimination of surface mail service, replaced by airmail service). However, by God's grace the overall impact was reduced by implementing additional presorting here, and achieving a lower rate for our smaller mailings.

Overall **compensation expenses** decreased due to the elimination of our Blue Cross group health insurance on 2/1/07, replaced by several Christian health care sharing ministries at much lower cost. Jeff Pollard and Steven Frakes continue as the two pastors/elders overseeing the church and its ministries. Their two salaries are split 50/50 between the local church and worldwide ministries. Seven other full-time employees serve with us in the worldwide ministries.

Computers and software expenses included the purchase of two new computers, one for the digital platemaking (which will improve the resolution quality of our covers), and one for desk top publishing (wherein we hope to add many more color covers for the literature).

The positive **Net Income** does not indicate “profit.” Since 2003, we have operated on a cash basis, trusting the Lord to give direction by His provision of funds before our purchases. Year-end giving has usually produced a large surplus each December, which we put into a separate savings account. We draw from this for one-time repairs and capital projects, as well as to supplement income to cover expenses in lean months during the year. The savings account from the December 2005 surplus was depleted in mid-December 2006. During 2006 we were careful again to maintain this savings account to possibly supplement expenses in lean income months, should they occur. However, giving throughout 2007 exceeded expenses, and the savings account remained intact through the year! For this we are very grateful. We are planning for increased expenses in 2008 as we prayerfully anticipate the opportunity to begin translating the *Free Grace Broadcaster* into Spanish, and distributing it worldwide—especially in the USA and Latin America.

In 2007, the “**Designated Gifts**” account was used for Katrina hurricane relief. Since the storms in September 2005, we have received \$143,611.76 and distributed \$141,650.00, leaving \$1,961.76 remaining to be distributed as of 12/31/2007. We anticipate distributing these funds and closing the account in February 2008.

New **international distributors** were added in Kenya and the United Kingdom (serving England, Scotland, Wales, and Northern Ireland), and we consolidated the Canadian distribution into Pensacola. Please continue to pray with us about adding international distributors in Mexico, and Hong Kong or Singapore.

Notes for 2006 Financial Statements

Jeff Pollard and Steven Frakes continue as the two pastors/elders overseeing the church and its ministries. Their two salaries are split 50/50 between the local (Church) and worldwide (Chapel) ministries. Seven other full-time employees serve with us in the worldwide ministries.

The capital improvement projects in 2006 included the following:

- 1) Repair of the parking areas,
- 2) Building a wall down the center of our production building (which is 60x120'). This enabled us to separate the warehouse storage from the bindery machinery, significantly increasing our storage as well the efficiency and safety of our work space.
- 3) Adding vinyl siding and repairs to the Guest House (Pastor and Mrs. Shelton's former residence), and
- 4) Adding a new digital recording system, which is laying the groundwork for adding mp3 audio to our tape ministry and making the mp3 sermons and books on tape available for worldwide download via the Internet.

The negative Net Income does not indicate borrowing. Since 2003, we have operated on a cash basis, trusting the Lord to give direction by His provision of funds before our purchases. Year-end giving has usually produced a large surplus each December, which we put into a separate account. We draw from this for one-time repairs and capital projects, as well as to supplement income to cover expenses in lean months during the year.

In 2006, the “Designated Gifts” account was used for Katrina hurricane relief. Since the storms in September 2005, we have received \$ 131,986.76 and distributed \$ 131,650, leaving \$336.76 remaining to be distributed as of 2/1/2007.

New international distributors were added in Brazil and India. Please continue to pray with us about adding international distributors in Mexico, England, and Hong Kong or Singapore.

Notes for 2005 Financial Statements

In 2005, there were 1,825 households and churches which sent gifts to the ministry. 1,481 gave less than \$250; 219 between \$250 and \$1,000, and 125 over \$1,000.

Jeff Pollard and Steven Frakes continue as the two pastors/elders overseeing the church and its ministries. Their two salaries are split 50/50 between the local and worldwide ministries. There are seven other employees who serve full time in the worldwide ministries.

The “Designated Gifts” account consists of funds designated for various purposes. We plan to keep the accounts for Katrina and Pakistan disaster relief open and distribute funds about once per month based on then current needs. In 2005, for Katrina hurricane relief we received \$101,760.76 and distributed \$95,650; for Pakistan earthquake relief, we received \$1,784.42 and distributed \$1,714.42. We also received \$5,000 designated for Bibles for Africa, and were able to send 1,830 Bibles (with concordance and cross references) to seven pastors for distribution in four countries in December.

In addition, we are again in touch with a chaplain in Iraq who is supporting 4,000 men. We began sending a 35 lb. box of material once per week in early January, and hope to continue through November when his deployment ends.

Notes for 2000 Financial Statements

1. Income

- Foreign Missions income is comprised of designated gifts to specific foreign missionaries.
- Total income is the total of all donations made to the ministry from Mount Zion Bible Church and from churches and individuals (in the USA and all other countries).

2. Books and Bibles (purchased)

- This is the amount of books and Bibles purchased from other publishers. About half of this amount was sent out free of charge to prison inmates and chaplains, mainly Bibles and concordances. The remainder were reference books purchased by prison inmates at or below our cost.

3. Other expenses: Foreign Missions

This represents giving to various foreign missionaries. The amount includes the payment of the designated gifts for foreign missions, and support for foreign missionaries, including the following to whom we give monthly:

Willem Hekman	Indonesia
Frank Maxson	Zambia
David Gregory	Ukraine
Apland family	Ireland
Tom Schultz	Mexico

4. Balance (Net Income)

- The end of year balance of \$172,794.38 is a 'surplus,' and represents a change in our policy of not keeping any surplus. This amount is the remainder of a large one-time undesignated gift which we received in 2000. We hope to use this amount to build additional facilities here to meet the growth which the Lord has given. We continue to depend upon the Lord to supply the full amount of our monthly operating needs.

Notes for 1999 Financial Statements

1. Income

- Foreign Missions income is comprised of designated gifts to specific foreign missionaries.
- Total income is the total of all donations made to the ministry from Mount Zion Bible Church and from churches and individuals (in the USA and all other countries).

2. Books and Bibles (purchased)

- This is the amount of books and Bibles purchased from other publishers. About half of this amount was sent out free of charge to prison inmates and chaplains, mainly Bibles and concordances. The remainder were reference books purchased by prison inmates at or below our cost.

3. Other expenses: Foreign Missions

- This represents giving to various foreign missionaries. The amount includes the payment of the designated gifts for foreign missions, and support for eight foreign missionaries, primarily in Africa.

4. Balance (Net Income)

- The end of year balance of \$17,429.29 is not a 'surplus,' but rather has been used immediately in January 2000 for obligations and needed outreach expenses. Mount Zion Bible Church spends all money received each year for ministry outreach.