

**MORAVIAN MINISTRIES
FOUNDATION IN AMERICA**

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009

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INDEPENDENT AUDITOR'S REPORT

To The Board of Trustees
Moravian Ministries Foundation in America
Winston-Salem, North Carolina

We have audited the accompanying statements of financial position of The Moravian Ministries Foundation in America (a non-profit organization) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Moravian Ministries Foundation in America's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Moravian Ministries Foundation in America as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Justice, Thore & Co., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

April 20, 2011

**MORAVIAN MINISTRIES
FOUNDATION IN AMERICA**

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS:		
Cash and cash equivalents	\$ 150,213	\$ 408,711
Accounts receivable	53,845	39,736
Contributions and bequests receivable	59,000	-
Prepaid expenses and deposits	13,818	11,602
Property and equipment, net	16,243	20,765
Real estate	820,000	820,000
Investments	99,374,333	73,951,619
Assets held in charitable remainder trusts	<u>977,382</u>	<u>956,747</u>
 Total assets	 <u>\$ 101,464,834</u>	 <u>\$ 76,209,180</u>
 LIABILITIES AND NET ASSETS:		
Accounts payable	\$ 3,204	\$ 2,346
Due to other Moravian Church supported entities	145	788
Deferred revenue	-	33,750
Charitable gift annuity liabilities:		
Annuity payment liabilities	537,447	591,166
Remainder interests due to Moravian Church entities	394,926	356,346
Charitable remainder trust liabilities:		
Liabilities under unitrust agreements	148,221	154,062
Remainder interests due to Moravian Church entities	363,534	325,958
Liabilities under perpetual trusts	380,275	345,571
Agency funds	<u>99,317,844</u>	<u>74,335,763</u>
 Total liabilities	 <u>\$ 101,145,596</u>	 <u>\$ 76,145,750</u>
 Unrestricted net assets	 <u>\$ 319,238</u>	 <u>\$ 63,430</u>
 Total liabilities and net assets	 <u>\$ 101,464,834</u>	 <u>\$ 76,209,180</u>

See accompanying notes to financial statements.

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
SUPPORT AND REVENUE:		
Provincial budget support	\$ 35,000	\$ 50,000
Trust management fees	400,334	279,710
Professional fees - campaign services and feasibility studies	69,250	26,250
Contributions and bequests	209,108	2,728
Investment income	2,285	942
Net realized and unrealized gain (loss) on investments	9,215	4,804
Other	<u>240</u>	<u>652</u>
Total support and revenue	<u>\$ 725,432</u>	<u>\$ 365,086</u>
EXPENSES:		
Personnel - salaries, taxes, fringe benefits	\$ 337,650	\$ 319,773
Automobile	9,409	12,792
Bad debts	750	-
Gift annuity expense	1,972	-
Insurance	2,993	2,993
Marketing	3,457	1,400
Office equipment lease	2,025	2,292
Office supplies and maintenance	8,891	7,599
Payroll services	1,147	816
Postage	9,059	3,960
Printing	9,631	513
Professional services	8,240	8,195
Remainder trust tax services	1,600	1,600
Rent - office	15,955	17,847
Software contracts and fees	8,887	8,942
Telephone and internet	6,680	5,924
Travel and meetings - board members	11,994	5,356
Travel and meetings - staff	23,264	11,508
Website costs	96	191
Depreciation	4,522	5,080
Miscellaneous	<u>1,402</u>	<u>1,215</u>
Total expenses	<u>\$ 469,624</u>	<u>\$ 417,996</u>
CHANGE IN NET ASSETS	\$ 255,808	\$ (52,910)
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>63,430</u>	<u>116,340</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u><u>\$ 319,238</u></u>	<u><u>\$ 63,430</u></u>

See accompanying notes to financial statements.

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	255,808	\$ (52,910)
Adjustments to reconcile change in net assets to net cash (used) by operating activities:		
Depreciation	4,522	5,080
Net realized and unrealized (gain) loss on investments	(9,215)	(4,804)
(Increase) in accounts receivable	(14,109)	(2,927)
(Increase) in contributions and bequests receivable	(59,000)	-
(Increase) in prepaid expenses and deposits	(2,216)	(1,527)
Increase (decrease) in accounts payable	858	(3,718)
Increase (decrease) in due to other Moravian Church supported entities	(643)	40
(Decrease) in deferred revenue	(33,750)	(7,500)
Net receipts over payments of agency funds	13,963,544	1,028,914
Purchase of investments, net - agency funds	<u>(14,213,709)</u>	<u>(990,782)</u>
 Net cash (used) by operating activities	 <u>\$ (107,910)</u>	 <u>\$ (30,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	<u>\$ (150,588)</u>	<u>\$ (3,158)</u>
 Net cash (used) by investing activities	 <u>\$ (150,588)</u>	 <u>\$ (3,158)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (258,498)	\$ (33,292)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>408,711</u>	<u>442,003</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 150,213</u>	<u>\$ 408,711</u>

See accompanying notes to financial statements.

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 - NATURE OF ORGANIZATION:

The Moravian Ministries Foundation in America (MMFA) is an inter-provincial agency serving both the Northern and Southern provinces of the Moravian Church in America. The function and role of the MMFA is to promote, receive, and distribute major and planned gifts from individuals who wish to support the mission and ministries of the Church. In addition, MMFA also promotes institutional stewardship through the investment services and programs of the Moravian Common Fund and assists churches and church related entities in fundraising campaigns.

NOTE 2 - DATE OF MANAGEMENT'S EVALUATION:

Management has evaluated subsequent events through April 20, 2011, the date on which the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements of MMFA have been prepared on the accrual basis of accounting.

Basis of Presentation:

MMFA 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.

New Accounting Pronouncements:

FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48; codified as FASB ASC 740-10), clarifies the accounting for the recognition and measurement of uncertainties in income taxes for all entities, including not-for-profit organizations. MMFA's policy is to evaluate the likelihood that any uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions and other evidence. It is the opinion of management that MMFA has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements or that would be subject to change upon examination. The adoption of FIN 48 did not have a material impact on MMFA's financial statements.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 3 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

Cash and Cash Equivalents:

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Property and Equipment:

Property and equipment are carried at cost or, if donated, at the fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives ranging from three to ten years. The cost of maintenance and repairs is expensed as incurred.

Investments:

MMFA carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair market values (based on publicly quoted market prices) in the statement of financial position.

Moravian Common Fund:

The Moravian Ministries Foundation in America established the Moravian Common Fund to enable MMFA, local churches and affiliated ministries of the Moravian Church in America to invest their endowments and permanent funds in a pooled, professionally managed and diversified portfolio. TIAA-CREF serves as the investment manager for the Common Fund.

Investment Expenses:

Expenses relating to investment income, including custodial fees and investment advisory fees, have been netted against investment income in the financial statements.

The custodial and investment advisory fees incurred by the Moravian Common Fund and the MMFA's other investments totaled \$613,904 and \$431,825 for the years ended December 31, 2010 and 2009.

Donated Assets:

Donated marketable securities and other non-cash donations are recorded at their estimated fair values at the date of donation.

Income Tax Status:

MMFA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, MMFA qualifies for the charitable contribution deduction under Section 170 and is classified as an organization that is not a private foundation under Section 509(a).

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 4 - CONCENTRATIONS OF CREDIT AND MARKET RISK:

Financial instruments that potentially expose MMFA to concentrations of credit and market risk consist primarily of bank deposits, cash equivalents, and investments.

MMFA maintains its bank deposits with one financial institution. At December 31, 2010, none of the amounts on deposit with this institution exceeded federally insured limits. MMFA has not experienced any losses in such accounts.

Cash equivalents are maintained primarily at TIAA-CREF. MMFA has not experienced any losses on its cash equivalents.

MMFA's investments are held primarily by TIAA-CREF. MMFA's investment portfolio is diversified among various equity and debt securities.

NOTE 5 - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are allocated as follows at December 31, 2010 and 2009:

	2010	2009
MMFA funds	\$ (8,402)	\$ (69)
Agency funds	<u>158,615</u>	<u>408,780</u>
	<u>\$ 150,213</u>	<u>\$ 408,711</u>

NOTE 6 - RECEIVABLES:

All recorded contributions, bequests, and accounts receivable are expected to be received within one year, with no allowance for uncollectible amounts.

NOTE 7 - PROPERTY AND EQUIPMENT:

A summary of property and equipment at December 31, 2010 and 2009 is as follows:

	2010	2009
Computer equipment	\$ 13,653	\$ 14,208
Furniture and equipment	<u>34,209</u>	<u>34,209</u>
	\$ 47,862	\$ 48,417
Less accumulated depreciation	<u>(31,619)</u>	<u>(27,652)</u>
Net property and equipment	<u>\$ 16,243</u>	<u>\$ 20,765</u>

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 8 - INVESTMENTS:

Investments, stated at fair value, consisted of the following at December 31, 2010 and 2009:

	2010	2009
TIAA-CREF:		
Fixed income securities mutual funds	\$ 29,830,635	\$ 22,115,779
Equity securities mutual funds	68,545,376	51,138,409
Short-term reserves and cash	985,517	697,431
	<u>\$ 99,361,528</u>	<u>\$ 73,951,619</u>
Equity securities	12,805	-
Total	<u>\$ 99,374,333</u>	<u>\$ 73,951,619</u>

Investments are allocated as follows at December 31, 2010 and 2009:

	2010	2009
Moravian Common fund	\$ 85,080,104	\$ 72,797,084
Northern Province pension fund	13,167,743	-
Brokerage account	12,805	-
Planned gifts:		
Charitable gift annuities - MMFA	932,373	947,512
Charitable gift annuities - Northern Province	124,384	144,649
Charitable gift annuities - Southern Province	56,924	62,374
	<u>\$ 99,374,333</u>	<u>\$ 73,951,619</u>

Investment return for 2010 and 2009 is summarized as follows:

2010:

	<u>Investment Income</u>	<u>Net Realized and Unrealized Gain (Loss)</u>	<u>Total</u>
MMFA funds			
(statement of activities)	\$ 2,285	\$ 9,215	\$ 11,500
Agency funds	1,794,132	11,005,732	12,799,864
Charitable gift annuities	11,716	96,808	108,524
Charitable remainder trusts	7,822	58,179	66,001
Perpetual trusts	6,796	45,456	52,252
	<u>\$ 1,822,751</u>	<u>\$ 11,215,390</u>	<u>\$ 13,038,141</u>

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 8 - INVESTMENTS: - (Continued)

2009:

	<u>Investment Income</u>	<u>Net Realized and Unrealized Gain (Loss)</u>	<u>Total</u>
MMFA funds (statement of activities)	\$ 942	\$ 4,804	\$ 5,746
Agency funds	1,538,017	12,992,287	14,530,304
Charitable gift annuities	15,208	150,954	166,162
Charitable remainder trusts	9,235	83,145	92,380
Perpetual trusts	7,013	64,422	71,435
	<u>\$ 1,570,415</u>	<u>\$ 13,295,612</u>	<u>\$ 14,866,027</u>

NOTE 9 - FAIR VALUE MEASUREMENTS:

Fair values of assets measured on a recurring basis at December 31, 2010 and 2009, are as follows:

2010:

	<u>Fair Value</u>	<u>Fair Value Measurement Using:</u>		
		<u>Quoted Prices in Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments	\$ 99,374,333	\$ 99,374,333	\$ -	\$ -
Assets held in charitable remainder trusts	<u>977,382</u>	<u>977,382</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 100,351,715</u>	<u>\$ 100,351,715</u>	<u>\$ -</u>	<u>\$ -</u>

2009:

	<u>Fair Value</u>	<u>Fair Value Measurement Using:</u>		
		<u>Quoted Prices in Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments	\$ 73,951,619	\$ 73,951,619	\$ -	\$ -
Assets held in charitable remainder trusts	<u>956,747</u>	<u>956,747</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 74,908,366</u>	<u>\$ 74,908,366</u>	<u>\$ -</u>	<u>\$ -</u>

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 9 - FAIR VALUE MEASUREMENTS: - (Continued)

Fair values of both investments and assets held in charitable remainder trusts are determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 10 - SPLIT-INTEREST AGREEMENTS:

Charitable Remainder Trusts:

MMFA administers various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term. The terms of all charitable remainder trusts administered by MMFA are the lifetimes of the respective distribution recipients. At the end of the respective trusts' terms, the remaining assets are available for use by other Moravian Church entities as specified in the trust agreements.

Assets held in charitable remainder trusts, as reported on the statement of financial position, represent those assets contributed by individuals to establish charitable remainder trusts (as adjusted for investment return and distributions). These assets are carried at fair market value, and consisted of the following at December 31, 2010 and 2009:

	2010	2009
Investments held by TIAA-CREF:		
Fixed income securities mutual funds	\$ 338,333	\$ 324,002
Equity securities mutual funds	542,955	514,834
Preferred equity securities	79,982	76,242
Mortgages and notes	-	6,562
Short-term reserves and cash	16,112	35,107
	\$ 977,382	\$ 956,747

Upon receipt of irrevocable interests in charitable remainder trusts in which MMFA is trustee, the present value of future payments to lifetime distribution recipients and the present value of future payments of remainder interests due to other Moravian Church entities are recognized as liabilities. On an annual basis, MMFA revalues the trust liabilities and remainder interests based on federal discount and actuarial assumptions.

Charitable Gift Annuities:

MMFA is also the recipient of various charitable gift annuities. A charitable gift annuity agreement provides that, in exchange for a contribution to the general assets of MMFA, the donor will receive a fixed periodic annuity over a specified period of time. The terms of all charitable gift annuities administered by MMFA are the lifetimes of the respective donor/ annuitants.

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 10 - SPLIT-INTEREST AGREEMENTS: - (Continued)

Donated assets under such agreements are invested and an account balance maintained in the investment pool for each charitable gift annuity until the death of the donor/annuitant, with adjustments for investment return and distributions. Investments, as reported on the statement of financial position at December 31, 2010 and 2009, include \$1,113,681 and \$1,154,535, respectively attributable to charitable gift annuities (carried at fair market value). Of this amount, \$932,373 and \$947,512, respectively represent charitable gift annuities in which MMFA is a party to the contract, and \$181,308 and \$207,023, respectively represent charitable gift annuities in which MMFA is acting as agent for the Northern or Southern Province.

Upon receipt of charitable gift annuities in which MMFA is a party to the contract, the present value of future payments to donor/annuitants and the present value of future payments of remainder interests due to other Moravian Church entities are recognized as liabilities. On an annual basis, MMFA revalues the gift annuity liabilities and remainder interests based on federal discount and actuarial assumptions.

NOTE 11 - DEFERRED REVENUE:

In May, 2007 MMFA entered into a contract to conduct, for a total of \$75,000, capital campaign management services for the Northern Province Ministers' Pension Trust endowment campaign. Contract funds were received as follows:

Received in 2007	\$ 30,000
Received in 2008	<u>45,000</u>
Total funds received	<u>\$ 75,000</u>

Such funds were classified as deferred revenue upon receipt and recognized as revenue as services were performed. As of December 31, 2010, all services for this campaign had been performed and all such funds received had been recognized as revenue.

NOTE 12 - AGENCY FUNDS:

MMFA acts as an agent, or custodian, for certain assets owned by churches, the Northern and Southern provinces and other Moravian church-related entities by receiving, investing, and disbursing funds on their behalf. Changes in agency funds for the years ended December 31, 2010 and 2009 were as follows:

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 12 - AGENCY FUNDS: - (Continued)

	2010	2009
Beginning balance	\$ 74,335,763	\$ 59,494,562
Receipts and transfers in	19,595,812	4,371,327
Investment income (net of fees)	1,794,132	1,538,017
Realized and unrealized gains (losses) on investments	11,005,732	12,992,287
Disbursements and transfers out	<u>(7,413,595)</u>	<u>(4,060,430)</u>
Ending balance	<u>\$ 99,317,844</u>	<u>\$ 74,335,763</u>

Agency fund receipts and transfers in include:

Additions to Common Fund	\$ 6,405,869	\$ 2,613,829
Additions to Northern Province Pension Fund	12,640,680	-
Contributions from individuals, trusts, and estates - MMFA transfer agent	143,229	122,827
Laurel Ridge campaign	260	8,705
Home Church capital campaign	405,774	805,966
Real estate from Franklin Fulton estate	-	820,000
	<u>\$ 19,595,812</u>	<u>\$ 4,371,327</u>

Agency fund disbursements and transfers out include:

Disbursements from Common Fund	\$ 5,664,293	\$ 3,024,340
Disbursements from Northern Province Pension Fund	1,005,626	-
Northern Province gift annuity payments	36,163	31,541
Southern Province gift annuity payments	12,009	8,642
Northern Province charitable remainder trust payments	4,610	4,066
Southern Province charitable remainder trust payments	66,429	91,644
Distributions of individual contributions - MMFA transfer agent	130,089	123,281
Expenses paid to third parties	529	3,916
Laurel Ridge campaign	16,909	-
Home Church capital campaign	476,938	773,000
	<u>\$ 7,413,595</u>	<u>\$ 4,060,430</u>

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 13 - REAL ESTATE:

During 2009, certain real estate in New York, NY, (including land with a four-story apartment building) was deeded to MMFA. This real estate was left, by bequest, to the Moravian Church by the estate of Franklin Fulton. MMFA is acting as agent for the Moravian Church, Northern Province, assuming oversight of this property until such time as the life tenant dies or surrenders his rights. At that point, MMFA will sell the property and pass the proceeds to the Moravian Church, Northern Province. Such property is included in agency funds in these financial statements and is valued at appraised fair market value.

NOTE 14 - OFFICE RENT:

MMFA rents office space from Salem Congregation in the "Old Salem" area of Winston-Salem, North Carolina. This space is rented on a year-to-year basis. Payments to Salem Congregation (which include maintenance and utilities) under this arrangement totaled \$15,955 and \$17,847 for the years ended December 31, 2010 and 2009, respectively.

NOTE 15 - RETIREMENT PLAN AND DEFERRED COMPENSATION PLAN:

MMFA maintains a retirement plan covering eligible employees. Expense under this plan totaled \$16,488 and \$14,556 for the years ended December 31, 2010 and 2009, respectively.

MMFA also maintains a deferred compensation plan covering eligible employees. No employer contributions were made during 2010 or 2009, as only employee salary deferrals were added to the plan.

NOTE 16 - OPERATING LEASES:

MMFA leases office equipment and a vehicle under operating lease arrangements. Rental expense for these leases totaled \$6,817 and \$9,678 for the years ended December 31, 2010 and 2009, respectively.

Future minimum lease payments under these operating leases as of December 31, 2010 are as follows:

Year ended December 31:

2011	\$	7,476
2012		7,476
2013		3,899
2014		1,344
	\$	<u>20,195</u>

MORAVIAN MINISTRIES FOUNDATION IN AMERICA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 17 - NORTH CAROLINA RESERVE REQUIREMENTS:

North Carolina law requires MMFA, as a party to charitable gift annuities, to establish and maintain a reserve totalling at least \$100,000. At December 31, 2010, MMFA met this requirement.

NOTE 18 - COMPOSITION OF UNRESTRICTED NET ASSETS:

Unrestricted net assets consisted of the following at December 31, 2010 and 2009:

	2010	2009
Assets:		
Cash	\$ (8,402)	\$ (69)
Accounts receivable	53,845	39,736
Contributions and bequests receivable	59,000	-
Prepaid expenses and deposits	13,818	11,602
Property and equipment, net	16,243	20,765
Investments	<u>188,083</u>	<u>28,280</u>
	<u>\$ 322,587</u>	<u>\$ 100,314</u>
Liabilities:		
Accounts payable	\$ (3,204)	\$ (2,346)
Due to other Moravian church-supported entities	(145)	(788)
Deferred revenue	-	(33,750)
	<u>\$ 319,238</u>	<u>\$ 63,430</u>