

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
IN AND FOR THE COUNTY OF KING

ORIGINAL

In Re: )  
)  
COMMUNITY CHAPEL & BIBLE )  
TRAINING CENTER, a )  
non-profit corporation )  
organized under the laws )  
of the State of Washington. )  
)

Cause No.  
88-2-05272-7

Deposition Upon Oral Examination Of  
WYMAN SMALLEY

Taken at 216 First Avenue South, Seattle, Washington

DATE TAKEN: April 13, 1988

REPORTED BY: Patrice Starkovich

THIS DEPOSITION FILED

April 25, 1988  
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APPEARANCES:

For Donald Barnett:

ROGER W. JOHNSON  
Johnson & Riley  
216 First Avenue South, #260  
Seattle, Washington 98104

For Community Chapel &  
Bible Training Center  
and E. Scott Hartley  
and Jack DuBois:

DAVID V. ANDERSEN  
Leach, Brown & Andersen  
4040 First Interstate Center  
Seattle, Washington 98104

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EXHIBITS MARKED:

No. 127	Computer listing of West Campus offerings, January, February and March 1988.	6
No. 128	Corporate Budget Summary sheets	6
No. 129	Computer printout of budget summary. Run date: 4-4-88.	18
No. 130	Memo to Loren Krenelka from Don Barnett dated March 23, 1988 re employee layoffs.	50
No. 131	Memorandum to Deacon Board Members from Don Barnett dated March 18, 1988, re budget.	59
No. 132	Memorandum to All Directors and Officers from Don Barnett dated March 18, 1988, re duty to corporation.	59

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SEATTLE, WASHINGTON; WEDNESDAY, APRIL 13, 1988

9:00 A.M.

--oo0oo--

WYMAN SMALLEY, deponent herein, having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. JOHNSON:

Q Can you state your name, and why don't you spell it.

A Wyman Smalley, W-y-m-a-n, S-m-a-l-l-e-y.

Q Mr. Smalley, are you a member of the Community Chapel & Bible Training Center?

A Yes, I attend there.

Q Do you have a position there beyond that of being just a member?

A Yes, I run computer services, and my title is treasurer.

Q How long have you been a member?

A I have been there since 1974.

Q Are you a paid employee?

A No, I'm not.

Q How long have you been the treasurer of the Community Chapel & Bible Training Center?

A Approximately, seven years, seven or eight years.

1 Q How long have you been in charge of the computer  
2 services there?  
3 A Since 1974, when I came there.  
4 Q Do you serve any other functions at the church,  
5 positions?  
6 A No.  
7 Q Can you describe what you understand your duties and  
8 responsibilities to be as treasurer. What are the  
9 sorts of things that you actually do as part of your  
10 duties as treasurer?  
11 A Actually, my job is I follow the bylaws which, as far  
12 as jobs of the treasurer, I really don't have any  
13 except to help the accounting office.  
14 Q In what way do you help the accounting office?  
15 A Computer services, support them in that area and also  
16 help the senior accountant with taxes and this sort  
17 of stuff, just as an advisor, more than anything.  
18 Q When you say "senior accountant," I take it that is  
19 Mr. Drake Pesce?  
20 A Pesce, yes.  
21 Q When you help him, it is primarily in what manner?  
22 What sort of things do you do from time to time for  
23 him?  
24 A Consultation, other than computer support.  
25 Q What was your background, your work background, prior

1 to coming into the Community Chapel & Bible Training  
2 Center?

3 A I spent 29 years in the Air Force, which was flying,  
4 and also running computer -- the last 13 years,  
5 running a computer.

6 MR. ANDERSEN: The last 13 years of your  
7 time in the Air Force?

8 THE WITNESS: Correct.

9 Q What is your formal education?

10 A Bachelor in general education.

11 Q Where was that?

12 A Omaha, Nebraska.

13 Q Where were you stationed in the Air Force, a lot of  
14 places?

15 A About a hundred places, approximately. All over the  
16 United States and Alaska and Korea and Vietnam.

17 Q Were you ever stationed in Illinois?

18 A Yes.

19 (Discussion off the record.)

20 MR. JOHNSON: Back on the record.

21 Q Pursuant to the subpoena that was served on you, the  
22 subpoena duces tecum, did you bring any records along  
23 today?

24 A Yes.

25 Q Could I see those records, please.

1 A Okay. I brought records in regard to question 22  
2 and also 39 that has something to do with the budget.

3 MR. ANDERSEN: Here is the subpoena itself.

4 THE WITNESS: Yes.

5 MR. JOHNSON: Would you mark this and also  
6 mark this.

(Exhibit Nos. 127 and 128  
7 marked for identification.)

8 Q I'm handing you that which has been marked as  
9 Exhibit No. 127. Can you identify what that is.

10 A That is a computer listing of the offerings that were  
11 given on the West Campus, the people that was giving  
12 offerings over at the West Campus during the last  
13 three weeks of March. We entered those and have  
14 extracted from the computer their givings in the  
15 calendar year of '87 -- their givings in January,  
16 February and March of '88.

17 Q This is up to March of '88?

18 A Right. Yes, sir.

19 Q We now have what, two Sundays in April of '88. Is  
20 this information simply not available from the  
21 computer for the month of April?

22 A That's true, it is not, as yet.

23 Q Looking at Exhibit No. 127, I see there is initially  
24 a column on the left-hand side of each of what are  
25 apparently printout pages, and that list of numbers,

1 each number there is a five-digit number. I believe  
2 virtually all of the numbers begin with the digit  
3 zero. What is that number; is that a membership  
4 number?

5 A No, it is strictly a control number in the computer.

6 Q That is assigned to a particular person or family?

7 A Yes, to a family, yes.

8 MR. ANDERSEN: Can we go off the record for  
9 a second.

10 (Discussion off the record.)

11 MR. JOHNSON: Back on the record.

12 Q Have you had a chance to review these printouts to  
13 draw any conclusions or to see any trends that might  
14 appear from the numbers?

15 A Yes, I think on page 5, we compared them to the total  
16 offerings in 1987 for the whole congregation, and  
17 that is what the last two pages are is page 1 and  
18 page 38 of the same file, showing the total offerings  
19 for the congregation during 1987. I didn't bring  
20 the others in between because it is a stack 38 pages  
21 wide.

22 Q I don't believe I understand what you just said.  
23 Maybe you can repeat that.

24 A The last two pages of the printout are page 1 and  
25 page 38 of a computer printout substantiating the



1 total offerings for the congregation. Can you see  
2 the \$2,484,000 plus?

3 Q Is that the total offerings for the entire  
4 congregation for 1987?

5 A Right. I used that figure in making my comparisons  
6 on page 5.

7 Q I see on page 5 you have a percentage of 8.9 percent  
8 under the January calendar or 8.9 percent under the  
9 January column, 7.9 percent under the February  
10 column and 7.6 percent under the column listed for  
11 the month of March 1988, and that appears to be those  
12 percentages for the 1987 offering?

13 A That's correct, for that group, yes. That is to show  
14 that the offerings are actually dropping, is what it  
15 showed.

16 Q So, for this particular group on the West Campus, the  
17 offerings appear in February to have gone down one  
18 percent from the month of January?

19 A Yes.

20 Q And in the month of March, they went down three-tenths  
21 of one percent from the month of February?

22 A Right. Yes.

23 Q You don't have or do you have any similar accounting  
24 for these three months during the previous years?

25 A Not with me. It is in the computer, but I didn't

1 bring it with me.

2 Q So, the January column represents a percentage, the  
3 percentage of 8.9 percent, which means that in the  
4 month of January they gave 8.9 percent of what they  
5 had given during the entire year of '87?

6 A Right.

7 Q Do you know whether or not there is a seasonal trend?  
8 In other words, do people tend, when they get their  
9 Christmas bills, for instance, to pay those and let  
10 the church wait a bit?

11 A The general tendency in January -- the January figure  
12 right here is probably higher than usual because  
13 there usually is a drop in January because most people  
14 push it into December, and January drops probably  
15 about 30 percent.

16 Q They push it into December for tax purposes?

17 A Yes.

18 Q You say that this January figure is probably higher?

19 A Yes, either it is higher or the February-March is  
20 lower. I don't know for sure. But 8.9 is one-twelfth  
21 of a hundred -- it is fairly close.

22 Q That would be fairly close if everybody gave an  
23 identical amount month after month, year after year?

24 A Yes.

25 Q Are you able to draw any conclusions based on any of

1 the data that you have available to you with regard  
2 to February and March of this year as compared to  
3 February and March in past years?

4 A Not really, no. I couldn't say that.

5 Q Have you done or are you able to do any similar  
6 calculations for the group meeting on the other  
7 campus?

8 A No. I could do this amount, but the problem with  
9 that is -- the reason I wouldn't put any authenticity  
10 to it is because of the fact that on the West Campus  
11 they don't have any restrictions, as far as  
12 facilities. So, everybody in the congregation, if  
13 they really wanted to go, could to go the West Campus.

14 We have a facility restriction on the East  
15 Campus, and I think Loren has brought in information  
16 that has proved we have had to turn people away on  
17 the East Campus. So, in order to figure out what the  
18 East Campus was, you wouldn't know whether everybody  
19 is there or not.

20 Q I guess I'm not -- I don't understand what you mean.  
21 I'm just asking with regard to those that get in the  
22 front door. If some decide they don't want to come  
23 to church that day, they want to watch the Seahawks  
24 or some decide they want to come but there is no room  
25 at the inn and they don't want to stand outside and

1 listen at the door or they get turned away and leave  
2 without leaving their offering, I'm not counting  
3 those. My question refers to only those that have  
4 come and attended and been part of the service.

5 A I could have, yes, figured the same kind of situation,  
6 but I did not. No.

7 Q I'm handing you what has been marked for  
8 identification purposes as Exhibit No. 128. Would  
9 you identify that for us.

10 A This is a summary sheet for the corporate budget  
11 showing our actuals and our budget for the divisions  
12 during the -- since January 1, 1987.

13 Q This is up through the period ending February 29, 1988?

14 A Yes.

15 Q Do you have it available to provide the same  
16 information for the month of March 1988?

17 A Not at this time.

18 Q When would that be available?

19 A Probably, within a week.

20 Q Do you have any other data that you have reviewed or  
21 have available that would allow you to draw any  
22 conclusions as to what your present situation is prior  
23 to obtaining that sort of budget summary from the  
24 computer?

25 A I think the line projected end of the year gain or loss

1 is projected through the end of our fiscal year.

2 Q Which --

3 A May on the top page. It has year-to-date, gain or  
4 loss and the year projected gain or loss. That does  
5 project it through the end of the fiscal year, which  
6 is the end of May.

7 Q The document that I have --

8 A Woops, I got it backward. I think you can find it  
9 probably on the last page, the February 29, 1988.

10 Q As of the end of February then --

11 A That projected end of year gain or loss there is  
12 projected through the end of our fiscal year, the  
13 end of May.

14 Q So, if I'm correct -- and let me finish, and when I  
15 am done, tell me if I am correct. Am I correct that  
16 as of the end of February 1988, you had a year-to-  
17 date gain of \$143,583, but projected that for the  
18 fiscal year ending May of 1988, which would be three  
19 months later? You expected in fact not to have  
20 gained \$143,583, but to have in fact lost either  
21 \$236,811 or \$81,697? It is one of those figures?

22 A Yes. That's right.

23 Q Which one of those two figures did you expect your  
24 loss to be?

25 A The \$81,000 is what we expected when we built the

1 budget last year. The \$236,000 loss is expected now,  
2 having changed the church offerings down to show the  
3 decrease.

4 Q In other words, you expected to lose \$81,697, but, in  
5 fact, now you expect to lose \$236,811?

6 A That's right.

7 Q At the end of February, what was the reason for the  
8 projection that you would lose almost \$150,000 more  
9 than you had previously expected to lose?

10 A The biggest part of that is the Bible College because  
11 we had just taken in all of their tuitions in January  
12 for the whole year. So, consequently, they go from  
13 \$108,000 gain down to only \$47,000 gain by the end of  
14 the year because of payroll, teachers' payroll. No  
15 money came in.

16 Q Let me get back to the \$81,697 figure. Tell me again  
17 what that figure was.

18 A That is the figure that our total budget for the  
19 corporation was figured at at the first of the fiscal  
20 year last June.

21 Q Last June --

22 A Forward this year.

23 Q So, last June 1987, when you calculated your budget,  
24 you expected to lose \$81 -- \$82,000?

25 A That's right.

1 Q In fact, you are going to lose \$150,000 more than  
2 that?

3 A It looks like it, yes.

4 Q What was the reason for the additional \$150,000  
5 beyond what you expected last June?

6 A The drop in offerings to the church because of the  
7 split. It went from \$45,000 a weekend to about less  
8 than \$20,000 a weekend.

9 Q When did the split occur?

10 A March 4.

11 Q These figures are figures as of February 29?

12 A Well, that is effective actually -- you will notice  
13 down here it was figured up, the 2nd of March is when  
14 they actually figured these up.

15 Q Well, the 2nd of March was still two days before the  
16 split.

17 A The 2nd of April, excuse me, 4-2-88.

18 If you will notice, the end of January '88 was  
19 a completely different figure.

20 Q What I am interested in is determining where are the  
21 calculations that account for that additional  
22 \$150,000 projected loss.

23 A Maybe you could look at the January 1 for the church  
24 where at the end of January or effective end of  
25 January, by our budget summaries, the church had an

1 expected loss at the end of the year of \$37,000 when  
2 we figured up the first of January, 1-31-88. The  
3 church had a projected loss there of \$37,000  
4 effective at the end of the fiscal year.

5 Q Right below that 37,849, which is the figure at the  
6 top in the right column of that page --

7 A Right.

8 Q -- the third from the back page of Exhibit No. 128 --  
9 I see underneath that a figure of 95,000. What does  
10 that represent?

11 A That was what the budget figure in our budget summary  
12 was at that point.

13 Q You had expected you were going to lose 95,000, but  
14 somehow, offerings had gone up to a point you were  
15 able to project that you wouldn't lose 95,000, that  
16 as of the end of January 1988, it looked as if come  
17 May of 1988, you would have lost only 37,000?

18 A That's right.

19 Q So, that is about a 55,000 -- 57,000 difference?

20 A Right.

21 Q I'm looking back now to the last page of this exhibit.  
22 Looking at the same pair of numbers at the top, I see  
23 that there you are projecting a \$316,000 loss as  
24 against that initially budgeted loss of \$95,000?

25 A That's right.



1 Q The minus \$95,000, is that a minus in comparison to  
2 the previous year, or how do you --

3 A No, that is that we will actually spend more money  
4 than what we brought in, as far as the church portion  
5 of it.

6 Q Offerings are the only source of income for the  
7 church?

8 A The greatest one, yes.

9 Q Are there others?

10 A Well, ministries, different types of ministries we  
11 have.

12 Q What percentage of the income of the church is as a  
13 result of these ministries?

14 A About five percent, I imagine.

15 Q Are there any of the documents that you have brought  
16 here that would demonstrate what those ministries are  
17 and how they account in proportion to the income of  
18 the church?

19 A Probably not at this point, no, they wouldn't.

20 Q Well, I guess what I'm confused about, Mr. Smalley,  
21 is the date 2-29-88 and comparing that with the date  
22 in the lower left-hand corner, which I assume you are  
23 referring to, which is 4-2-88 CMC. That I take it is  
24 the date this was printed out?

25 A That's true, yes.

1 Q What does the date at the top of the page under the  
2 words "Period Ending 2/29/88" mean then? What is the  
3 significance of that date, February 29, 1988, on this  
4 piece of paper?

5 A That date is the date of the payroll, effective  
6 payroll, the effective tables, the effective  
7 offerings, all of the money flow through the  
8 accounting office. That is the cutoff date.

9 Q For data?

10 A For data, yes.

11 Q How can you take data, subsequent data, if that is  
12 the cutoff date? Are you indicating that offerings  
13 had gone down enough in February to account for that  
14 projection of \$316,656 in loss to the church?

15 A No. The way this thing is done, the projected is  
16 done at the time that we know information, and that  
17 was one of the reasons why this wasn't completed  
18 until April. At the time she completed this -- they  
19 have always made the projected gain and loss to  
20 reflect anything they know at the time they do this.

21 Q So, what data would have been used for the  
22 projections? Would the data that resulted in the  
23 making of that projection have been the comparison of  
24 the data available on 2-29-88, up until that point in  
25 time, plus the offering data for the month of March?

1 A Yes.

2 Q Do you have any data on the offerings for the month  
3 of March for the entire church?

4 A I do not because Drake provided that one.

5 Q And we don't have it here.

6 (Short recess.)

7 Q You indicated that the last page of Exhibit 128, the  
8 projections as of April 2, the church itself would  
9 lose \$316,000 for the year ending May of 1988 or  
10 approximately \$220,000 more than your previously  
11 projected loss. Do you have any other document with  
12 you that shows or demonstrates the numbers that went  
13 into the calculation of that projection?

14 A Yes, I do. I have the actual budget summaries for  
15 each one of the different parts here for the whole  
16 year, the church, the tape and sound and operations,  
17 studio, Bible College, student apartments, Christian  
18 School, publications and bookstore.

19 Q And church, as well?

20 A Oh, I'm sorry. The church was the first one.

21 (Exhibit No. 129 marked  
22 for identification.)

23 Q I'm handing you what has been marked as Exhibit  
24 No. 129. Can you identify what that is.

25 A That is the computer printout of the budget summary

1 report for the church for the fiscal year 1987, dated  
2 April 4, effective through February 29.

3 MR. ANDERSEN: What was the date on that  
4 again?

5 THE WITNESS: April 4 is when it was  
6 printed out.

7 Q Looking at the months of March, April and May at the  
8 right side of the very first column on the very first  
9 page of Exhibit No. 129, the column numbered 3110,  
10 "Offerings & Tithes," I see for March, April and May  
11 there appears zero. Can you indicate what those  
12 numbers reflect?

13 A Yes, the top line is the actual offerings that were  
14 brought in. So, consequently, there is offerings in  
15 from June through February, none for March, April  
16 and May because the effective date of this was the  
17 end of February.

18 Q This was run, though, in April?

19 A Yes. At that point, we did not have March totals in  
20 from the general ledger.

21 Q It is my understanding that your testimony is that  
22 the projection of the loss shown on the last page of  
23 Exhibit No. 128 next to "Church" at the top of the  
24 page of \$316,656 was a loss projection for the  
25 operating income of the church, and it was based upon

1           this computer readout here or not?

2       A     Yes, sir.  It is back on the gain and loss column on  
3           page 10.

4       Q     And that projection was made, assuming there would be  
5           no offerings in March, April or May?

6       A     No, it is based on the assumption that the offerings  
7           will be down to \$100,000 in March, \$80,000 in April,  
8           and \$100,000 in May.

9       Q     Where do these numbers come from, those figures of  
10          \$100,000 in projected offerings for March, \$80,000  
11          projected offerings for April and \$100,000 projected  
12          offerings for May?

13      A     This came from information provided Charlotte  
14          McGaughey which adjusts this budget from Drake Pesce  
15          in the accounting office.

16      Q     Drake Pesce provided these estimates for March, April  
17          and May offerings?

18      A     Yes.

19      Q     Did you discuss those projections with Drake?

20      A     No, I didn't.

21      Q     You don't know how he got those?

22      A     No, sir.

23      Q     Directing your attention again to Exhibit No. 128,  
24          let's look at the back page, the one we have been  
25          looking at.  I see that there are some things that

1 are not only going to be losing money but, in fact,  
2 are going to be making money when they were previously  
3 projected to lose money.

4 It appears that as of April 2, the projection  
5 was that the bookstore would actually gain money, make  
6 money, \$1,921, when previously the bookstore had been  
7 thought that it would lose approximately \$8,700; is  
8 that correct?

9 A That's correct.

10 Q And the Christian School is making approximately four  
11 times the money that was previously projected?

12 A That's right.

13 Q And the Bible College is making \$9,000 more than  
14 previously projected?

15 A That's right, yes.

16 Q Looking again at the top column or the top set of  
17 numbers next to the word "Church," the projected loss  
18 -- I believe you have already testified that the  
19 projected loss is essentially the lower amount of  
20 offerings as compared to the expenses of running the  
21 church; is that essentially it? In other words,  
22 where does the \$95,000 loss that you thought the  
23 church would experience when you made your budget up  
24 last May, May of '87 -- where does that negative  
25 \$95,000 figure come from?

1 A That would be excess expenses over offerings, yes.

2 Q What expenses are included in that figure? What sort  
3 of expenses are included in the expenses for the  
4 church?

5 A That would be the pastor's salary and most of the  
6 office staff's salary and all of the buildings and  
7 a great majority of the operating expenses for all  
8 of the buildings and that sort of thing.

9 Q Still looking within the packet of pages that are  
10 marked as Exhibit No. 128, if you would look at the  
11 page marked "Corporate Budget Summary June 1987,"  
12 over to the right, again, under the words "Gain/Loss,"  
13 I see there it is projected that as of June 1987, you  
14 expected to have a loss for the fiscal year of  
15 \$51,000 where you had previously projected there  
16 would be a loss of \$73,000?

17 A The \$51,000 is the actual loss during the month of  
18 June, and the \$73,000 would be the loss as of the  
19 end of May 1988.

20 Q In other words, on this particular page, the bottom  
21 figure is not what is projected forward but what --

22 A It is what is projected to be a gain or loss at the  
23 end of the fiscal year, which would be the end of  
24 May 1988.

25 Q So, the \$73,916 was what had been projected would be

1 the loss; is that correct?

2 A That's right, as of the end of May '88.

3 Q Was that the initial budget projection?

4 A Yes.

5 Q Shouldn't that stay the same then throughout the year?

6 A At this point, it -- they were trying to adjust that,  
7 and they were still working on the budget.

8 Q Let's turn to July. In July there are figures to the  
9 right of the word "Church" over in the right column  
10 under the column headed "Gain/Loss," -- two numbers,  
11 \$20,939 and \$71,608. What do those two figures  
12 reflect?

13 A The top one, \$20,000, reflects the gain and loss as  
14 of the end of July, and the \$71,000 is the projected  
15 at the end of May during this transition period where  
16 they were still working on the budget.

17 Q I take it they are still working on the budget then  
18 in August, as well?

19 A That's right, sir.

20 Q Then we jump to November, and we are still working on  
21 the budget.

22 A That's right.

23 Q At the end of December of this year, we are still  
24 working on the budget?

25 A Yes, they were still working on it.



1 Q When was the one for the end of January printed out?  
2 A February 25.  
3 Q So, essentially, those were the numbers that were  
4 available to you a month-and-a-half ago on  
5 February 25 --  
6 A That's right.  
7 Q -- or a month-and-three-quarters ago?  
8 A That's right.  
9 Q You then projected there would be a loss for the --  
10 I don't understand it. What are the two numbers at  
11 the top of the page there, the \$37,000 and the  
12 \$95,000?  
13 A The \$37,849 is the actual gain or loss as of the  
14 January 31, and the \$95,152 is the projected gain or  
15 loss as of the end of May, end of the fiscal year.  
16 Q So, at the end of February, essentially, you expected  
17 that over March, April and May, the operations would  
18 lose an additional \$58,000, operations of the church  
19 would lose an additional \$58,000?  
20 A Yes.  
21 Q So, the \$95,000 is what you thought then you would  
22 lose by the end of the year?  
23 A Right.  
24 Q Why is not the \$95,000 the same number? Is that now  
25 what you think you will lose at the end of the year?

1 A Yes, the 95,000 is the same in January and February,  
2 and it would stay the same in March, April and May.

3 Q Why is that? What I can't understand is every month  
4 you have made a new projection. Every single month  
5 there has been a new projection as to what you would  
6 lose?

7 A Only up to the point in -- the first of January.

8 Q Really, the first time the \$95,000 figure appears is  
9 on the 1-31 summary which was printed out at the end  
10 of February.

11 A That's right.

12 Q That figure represents what at the end of February  
13 you thought, based on the numbers you had up until  
14 then, you would lose by the end of the year?

15 A That's right.

16 Q The top number in all of these previous summaries is  
17 your actual loss, and the lower number in all of  
18 these summaries has always been your projection?

19 A That's right.

20 Q But now for the period ending February 29 that was  
21 printed out a week-and-a-half ago, the bottom number  
22 is one projection, and the top number is no longer  
23 the actual loss. The top number is another  
24 projection; is that fair to say?

25 A I think the problem is the bottom number is the

1 sealed down budget when they said they are not going  
2 to change the budget any more. That is where we  
3 think we are going to be.

4 The top number in the projected end of fiscal  
5 gain and loss is a combination of the actual to that  
6 date, plus the expected budget income and expenses  
7 for the rest of the fiscal year.

8 Q Well, isn't it fair to say that the \$95,000 figure,  
9 the \$95,000 loss, that I believe you indicated was  
10 first, quote, "sealed down," close quote, in the  
11 1-31-88 summary, the summary that was in fact printed  
12 out at the end of February 1988, that that number,  
13 when it was finally sealed down, was based on actual  
14 numbers up to that time and projection forward from  
15 that time? I mean, they were adjusting it each month.  
16 I assume they were putting in it the new data? Is  
17 my question clear?

18 A Yes. My problem is whether that \$95,000 was actually  
19 based on the actual to that point or it was based on  
20 what we started the fiscal year with and working  
21 against that figure. It really did not take into  
22 account where we really were at that point.

23 Q What you are indicating is it is possible that at the  
24 end of February, when this thing was printed out and  
25 that number was in fact calculated and finally sealed

1 down for good, the computer, the accountants, or  
2 whoever was doing the printout, was ignoring all of  
3 the real data that had been acquired throughout the  
4 previous eight months of the fiscal year that had  
5 actually occurred, June, July, August, September,  
6 October, November, December and January? It is  
7 possible they made that projection without having  
8 accounted for any of the first eight months of the  
9 fiscal year data?

10 A That is probably true in a sense in that they wanted  
11 to try to make it show the budget as it should have  
12 been at that point. Of course, they took into account  
13 some of the changes that they had made, adjusted in  
14 between. So, it is kind of a --

15 Q Those changes they made, as they adjusted things in  
16 between, what would be the data that they would use  
17 to decide to make those adjustments or changes? These  
18 are changes that were made between, say, June 1 and  
19 January 31. What would have been the kind of data  
20 that would be used to make those kinds of adjustments?

21 A The biggest data there would be the actual payroll in  
22 the tables.

23 Q Well, actual fiscal year data would have been used  
24 periodically to adjust that. There would have been  
25 some actual data?

1 A Yes. Yes, there would have had to have been some.  
2 Q What meaning does the \$95,000 figure then have?  
3 A Very little. Very little in that it is just -- that  
4 is what we think it should have been, knowing what we  
5 knew at the time we were making the budget or should  
6 have been making the budget. It is a guideline, is  
7 basically what it is.  
8 Q I see the projected loss in November of '87 was  
9 \$83,735 for the church; is that correct?  
10 A Which month?  
11 Q For the month of November.  
12 A That was the actual loss, yes. The actual figures --  
13 it is the current loss, plus the known projected  
14 losses based on the budget.  
15 Q Well, okay. Let's look at the gain or loss for July  
16 under the July summary in Exhibit 128. I see \$20,939  
17 and \$71,608. So, it appears that you then projected  
18 there would be a loss of \$71,000?  
19 A At the end of May, yes.  
20 Q So, as of the end of July, looking forward to the end  
21 of May 1988, it appeared there would be a loss of  
22 \$71,000?  
23 A That's right.  
24 Q And 30 days later, looking forward again, it appeared  
25 there would be a loss of less than \$5,000 in August?

1 A No, that gain or loss was only for the month, that  
2 month of August. See, the projected year-end balance  
3 we didn't have -- it wasn't in there.

4 Q Let's look back then to the July 1987 corporate  
5 budget summary. There is a column that is entitled  
6 "Gain/Loss"?

7 A That is an error.

8 Q That column has two numbers: \$20,939, which you  
9 indicated was the actual loss, and \$71,608, which you  
10 indicated was as of that date, the end of July 1987,  
11 the projection of what would be the loss at the end  
12 of May 1988.

13 (Short recess.)

14 Q Mr. Smalley, I gather from your lengthy review during  
15 the break here and from the comments, you are  
16 uncertain as to the accuracy or the method of  
17 calculation or meaning of some of the numbers that  
18 are contained within Exhibit 128? That is my  
19 understanding. Please don't accept that if I am  
20 incorrect. I don't mean to trick you. I am just  
21 trying to determine if in fact you are confident that  
22 you understand and are confident of the accuracy of  
23 the numbers that appear in this Exhibit No. 128.

24 A I would have to agree with you that there is a  
25 discrepancy in the way it is provided here. One

1 statement in regard to one of these summary sheets  
2 would not necessarily apply to some of the others.

3 Q I believe you indicated something with reference to,  
4 quote, "She may not have or she may have meant some-  
5 thing different," referring to, apparently, the woman  
6 who prepared this. Would that be Charlotte McGaughey?

7 A Yes.

8 Q So, at this point, is it fair to say that you are  
9 uncertain as to what conclusions can fairly be drawn  
10 from the figures contained in Exhibit No. 128? Again,  
11 I don't mean to put words in your mouth.

12 A The actual figures are -- I'm sure we can -- they are  
13 true and correct because she took it right off the  
14 budget summary. The projected gain or loss, her  
15 figures, as far as the actual projected gain or loss  
16 and the true budget on the bottom line, were  
17 inconsistent because they kept changing it during the  
18 year. So, I would say that -- the projected end of  
19 fiscal year gain and loss would have to be -- I would  
20 say I could not put that much emphasis, that much  
21 authenticity, into them, that's true.

22 Q Let's direct your attention briefly away from some  
23 of the documents.

24 You are aware, are you not, that there is  
25 apparently, presently, a schism or a split within the

1 church, and there are sort of two groups of the church  
2 members, one faithful to or following, supportive of  
3 Pastor Donald Barnett, and one group that is  
4 supporting the two remaining elders, Scott Hartley  
5 and Jack DuBois?  
6 A Yes, the two remaining are senior elders, yes.  
7 Q The two remaining senior elders, yes. Of the many  
8 elders in the church, they are the two remaining  
9 senior elders together with Donald Barnett, as well?  
10 A Yes.  
11 Q Have you, in the performance of your duty or any  
12 other way during you work at the church, personally  
13 come into contact or had any experience with any areas  
14 of deadlock existing between Jack Hicks and Jack DuBois  
15 and Scott Hartley on the one hand, and Pastor Donald  
16 Barnett on the other?  
17 A Yes.  
18 Q Can you describe what areas of actual deadlock you  
19 have personally experienced?  
20 A One is the paying for Jack DuBois and Scott Hartley's  
21 or the Community Chapel's lawyer and the other one is  
22 in regard to the projected layoffs of people of the  
23 lower budget.  
24 Q Any other areas of deadlock where you have any  
25 personal experience?



1 A The deadlock of services of the East and West Campus  
2 owned services.

3 Q Any others?

4 A I can't think of anything right now.

5 Q Well, looking first to the area of deadlock regarding  
6 paying for the lawyer for Mr. Hicks and Mr. DuBois,  
7 what do you know about that area of deadlock?

8 A The memorandum on 3-17-88, which was addressed to me,  
9 along with the others, was directed to me, plus the  
10 senior elders and the accounting department directing  
11 that the senior elders in the accounting department  
12 not issue any more checks to Attorney Jim Leach  
13 without his concurrence.

14 Q Who is the author of that memo?

15 A That was Donald Barnett.

16 Q Why do you say that is an area of deadlock? Do you  
17 have some further information that indicates there is  
18 a deadlock?

19 A Well, the deadlock is that as the accounting  
20 department, Drake Pesce and myself as treasurer, we  
21 have two different opinions of what we are supposed  
22 to do. So, we have a president trying to tell us one  
23 thing and a senior elder trying to tell us another,  
24 and we have to go back to the bylaws, I guess, to  
25 decide what to do.

1 Q Did you do that?

2 A Yes, we went back to the bylaws. According to

3 Section III and Section XI, Article 2, it states that

4 two-thirds majority of the senior elders are to have

5 all authority and consequently, they both signed the

6 PRV. So, we paid it.

7 Q The PRV --

8 A Purchase request voucher. It is the authorization

9 for the accounting department to produce checks.

10 Q Section III and Section XI, Article 2 of the bylaws?

11 A Just Section III. Yes. Right.

12 Q Is that a part of any particular division of the

13 bylaws?

14 A Division 1, yes.

15 MR. ANDERSEN: Page 4.

16 THE WITNESS: Page 4.

17 Q This is page 4 of the bylaws as approved on what date?

18 A January 28, 1986, was the last that I have.

19 Q If there is a more recent revision, which I believe

20 there is about a week-and-a-half ago, you don't have

21 that one?

22 A That's true, I have not been furnished that one.

23 Q What page is this?

24 A Page 4.

25 Q I believe you indicated Section XI, also.

1 A Yes, which is page 14.

2 Q When the payroll request voucher, the PRV, was  
3 presented, it was presented to you?

4 A No, it was presented to Drake Pesce.

5 Q Have there been any requests for payment made to you  
6 by the pastor?

7 A No.

8 Q Have you been part of any discussions with regard to  
9 any requests for payment that have been made by the  
10 pastor?

11 A Say that again.

12 Q Have you been part of any discussions with regard to  
13 any payment requests that have been made by the  
14 pastor since March 4, 1988?

15 MR. ANDERSEN: Is that clear to you?

16 A Are you talking about payments directly to him?

17 Q I'm asking whether or not you have been a participant  
18 in any discussions with any people that have been --  
19 discussions regarding any requests that Pastor  
20 Barnett may have made that payments of any sort be  
21 made to somebody or himself or anyone else?

22 A No.

23 Q So, you have not discussed any requests or been a  
24 party to any discussions where the pastor's requests  
25 were discussed?

1 MR. ANDERSEN: Do you understand or are you  
2 thinking about it?

3 THE WITNESS: Yes, I'm trying to remember  
4 if I really have.

5 A In other words, some of these memos that I have  
6 gotten -- they really don't pertain to me, but I do  
7 have them because they were assigned to me. I guess  
8 the one I would have to talk about is this one to  
9 Drake and I about him hiring a secretary, dated  
10 April 4.

11 Q Have you discussed that memo with Mr. Pesce?

12 A No.

13 Q Have you discussed that memo with anyone else?

14 A No.

15 Q Have you discussed any similar requests by the pastor  
16 with any person?

17 MR. ANDERSEN: Regarding the secretary?

18 A Any requests that Pastor Barnett may have made that  
19 would involve church expenditures.

20 A I was in on the time that the senior elders told Drake  
21 Pesce to reduce Don Barnett's paycheck, yes.

22 Q Can you tell us when that occurred?

23 A It was in the last couple of days of March. It had  
24 to do with his last of March payroll check.

25 Q Where was that discussion?

1 A It was with Scott Hartley, Jack DuBois and Drake and  
2 myself. I think it was in Jack DuBois' office. I'm  
3 not sure.

4 Q Can you tell me how that subject matter came up?

5 MR. ANDERSEN: I'm going to object on the  
6 record if it involves a statement regarding hearsay.

7 Q How did that subject come up?

8 A It was in processing payroll, of how to add that  
9 additional deduction in the computer.

10 Q Which additional?

11 A That was for a deduction for Don's collection of  
12 offerings for his personal use, I guess you would  
13 call it.

14 Q Who raised the issue?

15 A It would be Drake Pesce.

16 Q What did he say?

17 MR. ANDERSEN: My objection would be  
18 continuing on the record.

19 Go ahead.

20 A How to put an extra deduction into the computer to  
21 reduce his paycheck down to zero.

22 Q Was there any question or any discussion as to whether  
23 to reduce his paycheck?

24 A Yes, it was in regard to this February 15, '85, memo  
25 stating that any minister that collected outside gifts

1 or gratuities for their personal use would have that  
2 reduced out of their payroll.

3 Q Well, who raised the issue, the whole subject matter  
4 of the pastor's paycheck? Who first broached that  
5 in the discussion?

6 A Well, I'm only talking about between Drake and I, and  
7 he brought it up because he was requested to do it.  
8 He was only asking me in computer services how to do  
9 it.

10 Q He was requested to make the deduction?

11 A Yes.

12 Q Was that request of him made in your presence?

13 A No, sir.

14 Q Do you know who requested that he do it?

15 A Yes.

16 Q Who?

17 A It would be Scott Hartley and Jack DuBois, senior  
18 elders.

19 Q How do you know they made that request?

20 A That is what he said.

21 Q When did he tell you that?

22 A At the time he came down and asked me to fix the  
23 computer deduct code sheet, so we could get it out of  
24 the computer.

25 Q Did he then take you with him to this meeting?

1 A Yes.

2 Q So, he asked you to come along, join him, in a  
3 meeting with Scott Hartley and Jack DuBois, you  
4 believe, at Jack DuBois' office?

5 A Yes.

6 Q To discuss how to make the computer reduce the  
7 pastor's salary or paycheck?

8 A No, not how to do it. That was up to me how to do it.  
9 But just to explain why I should do it.

10 Q So, did you go with him to the meeting?

11 A I was in a meeting, yes, with him. I don't know  
12 whether it was that day or not.

13 Q Did he direct you to do it, or did Scott Hartley  
14 direct you to do it?

15 A Scott Hartley and Jack DuBois directed.

16 Q What did they direct you to do in the future?

17 A They have not said for each one of them.

18 Q That was just a one-time thing?

19 A Just the one time at that point.

20 Q How much did they direct you to reduce his paycheck  
21 by?

22 A I don't know the exact figures, but it was around  
23 \$8,000 -- no, wait a minute. It can't be. I don't  
24 know. I don't have a figure available.

25 Q Did they give you the numbers, the amount of his

1           paycheck, or did they leave you to calculate that?

2       A     No, they gave it to me.

3       Q     Did they tell you how they had calculated

4           mathematically what his paycheck should be?

5       A     Yes, from a computer printout that showed what his

6           paycheck would have been at that point, and then they

7           wanted to get it from there down to zero.

8       Q     Did they show you how they justified reducing it down

9           to zero?

10      A     Yes. According to this memo, they know he collected

11           more than that amount.

12      Q     According to the memo, they knew he had collected

13           more than that?

14      A     No, because --

15                       MR. ANDERSEN: Roger, could you repeat the

16           question.

17      Q     I'm asking if your testimony is that the memo

18           indicated that he had collected more than that?

19      A     No.

20      Q     What did they tell you was the source of their

21           information as to how much he had collected?

22                       MR. ANDERSEN: If there is an answer. If

23           there is no answer --

24      A     I can't remember just how they stated that.

25      Q     Are you familiar with the memo that they are referring



1 to?

2 A I have a copy of it, yes.

3 Q When did you first get a copy of that memo?

4 A That very same day.

5 Q You had not had a copy of that memo specifically?

6 A That's true.

7 Q Had you ever been requested to enforce or implement

8 that policy prior to that?

9 A I had not.

10 Q Do you understand the policy?

11 A I believe I do.

12 Q Does that policy then indicate that if you are a

13 minister and your wife gives you a Christmas present

14 that is more valuable than a hundred dollars, then

15 your paycheck will be reduced?

16 A No.

17 Q What does the memo indicate?

18 A It indicates that if you are a minister and you are

19 ministering to a congregation or -- an example of

20 this kind of situation is one of our paid evangelists

21 was offered \$20 by whom they had witnessed -- to whom

22 they had witnessed on paid staff time. It states the

23 policy that if the giver makes a specific point that

24 the gift is to you personally, it is okay for you to

25 take and keep. As a staff member, you may keep

1 personal gifts up to \$100 per month without informing  
2 the church.

3 Q Does it indicate then that if you are a staff member  
4 and you get Christmas presents aggregating more than  
5 \$100, that you must tell the church?

6 A Yes. Well, not Christmas presents.

7 Q Why not?

8 A Well, it is talking about ordained and licensed staff  
9 ministers who are on payroll and working in Seattle.

10 Q Is Scott Hartley such a person, for instance?

11 A Yes.

12 Q Now, if Scott Hartley gets a Christmas present and  
13 the aggregate value of those Christmas presents is  
14 \$130, is his paycheck to be reduced by 130 bucks or  
15 30 bucks or any amount, as you understand the policy  
16 as set out in that memo?

17 A Not Christmas gifts. It would be in regard to a  
18 ministry as an ordained and licensed staff minister,  
19 gifts or contributions, valuable contributions,  
20 considerations, those would be considered, yes, but  
21 not personal gifts.

22 Q Not personal gifts?

23 A Not personal gifts.

24 Q Well, read me the portion of the memo that states  
25 that.

1 A Okay. "We recognize that, though not frequently,  
2 there are occasions where staff ministers are offered  
3 cash or other valuable consideration by the one to  
4 whom they are witnessing, ministering to, in the  
5 course of their paid duties out of appreciation for  
6 and wanting to help the ministry."

7 And then it says: "If you receive gifts of a  
8 value over \$100 aggregate in any one month, you should  
9 inform the general manager and the excess over \$100  
10 in that month will result in a reduction of salary of  
11 the same amount as in excess of over \$100."

12 Q If Christmas presents are given to Scott Hartley by  
13 people that he also ministers to, then is his salary  
14 to be reduced?

15 A Not according to the way I read this, no.

16 Q Why not? What words in there indicate clearly to you  
17 that that is not the case, or is it unclear to you?

18 MR. ANDERSEN: I think he has read the  
19 words that were clear to him in answer to your  
20 previous question.

21 Q Are the words you previously read the only words  
22 contained in there that would leave you to draw that  
23 conclusion? I'm referring to a situation where a  
24 Christmas present is given to Scott Hartley by someone  
25 who is also a person that he has dealt with in his

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ministry.

A There is a statement back here stating: "In a situation such as a street minister, when and if a gift is offered, you should inquire what do you want that used for, support of the ministry here or a donation to the church which is making this ministry possible."

Q Would it depend then on whether or not Mr. Hartley had asked the donor of the Christmas present what he wanted it used for?

A I really don't know. It seems we are getting down into an area here that it is not my prerogative to decide.

Q Well, I'm not asking you to decide. I'm asking you to tell me what your impression is, based on your reading of the memo and as treasurer of the Community Chapel & Bible Training Center.

MR. ANDERSEN: Roger is just asking you how you read this memo, how you interpret that memo.

Q You told me your interpretation, and I'm asking you for the words in that memo, statements in that memo, that lead you to draw the conclusions or the interpretations that you have drawn.

MR. ANDERSEN: If there are any others in addition to the words that you have already read.

1 A I don't know whether I've read this one.

2 "As a staff ministry, you may keep personal gifts  
3 in an aggregate up to \$100 per month without informing  
4 the church."

5 Q Wouldn't a Christmas present be a personal gift?

6 A It could be, I guess.

7 Q In spite of that, though, you think Christmas gifts  
8 aren't included?

9 A I think it is talking about at the time you are doing  
10 the ministry. When you are actually doing the  
11 witnessing, ministering, in the course of your duties,  
12 if they want to give it to you then. That was what  
13 my thinking is and that has nothing to do with what  
14 they do later or personally give you.

15 Q So, if somebody gave you something at a time different  
16 than a church service or at a time different than when  
17 you are ministering, you would think that it might  
18 not cover that?

19 A I think then I would have to go down to the statement  
20 that says: "In the event a situation involving gifts  
21 to ministers or staff occurs, which is not resolved  
22 by the above policy, please bring it to the attention  
23 of the general manager or pastor in his absence for  
24 judgment."

25 Q Well, at any time subsequent to that discussion that

1           you have mentioned that you indicated you believe  
2           occurred in Jack DuBois' office, have you seen or  
3           become aware of a memo sent by Don to anyone regarding  
4           this previous memo and the policy and his  
5           interpretation of that policy, his interpretation of  
6           that memo?

7        A     Yes, a memo dated 4-6-88, addressed to Scott Hartley,  
8           had my name and Drake Pesce's name on it.

9        Q     Was a copy of that memo provided to you?

10       A     Yes.

11       Q     Have you had occasion to discuss that memo with  
12           Mr. Pesce or Mr. Hartley or anyone else?

13       A     No.

14       Q     When did you receive that memo?

15       A     The memo was dated 4-8. So, probably, the 9th or 10th.

16       Q     I think you indicated 4-6.

17       A     It is dated on the top, but he signed it on 4-8.

18       Q     So, it is dated 4-6 at the top, but it is dated by  
19           his signature 4-8?

20       A     Yes.

21       Q     So, you probably received it around the 9th?

22       A     Yes.

23       Q     Did you take any action pursuant to that memo?

24       A     No.

25       Q     Why not?

1 A Basically, because all of the direction here was to  
2 the senior elders or at least, only the senior elders  
3 could do anything about it.

4 Q Why is that? Couldn't you change the computer back?  
5 A Yes, but not without their authority.

6 Q Why is that?  
7 A Because the way I read the bylaws, the senior elders  
8 have the authority to make these decisions, and I, as  
9 a volunteer, am following their orders and not the  
10 pastor's.

11 Q The memo that you were initially referring to that  
12 sets out the policy was a memo issued by Don Barnett;  
13 is that correct?  
14 A No, it is issued from Jack Hicks.

15 Q Was he the author of the policy then?  
16 A No. The reference is Don Barnett's policy concerning  
17 receipt of personal gifts and gratuities by paid  
18 staff or volunteers in the course of assigned duties.

19 Q So, this was a memo that you received that set out  
20 what Jack Hicks said was Pastor Barnett's policy?  
21 A Yes.

22 Q And you were instructed to implement that by Scott  
23 Hartley; is that correct?  
24 A As far as adjusting the computer to make the payroll  
25 check come down to zero, yes.

1 Q Did he instruct you in the future to apply that policy  
2 to everyone?  
3 A No, sir.  
4 Q You indicated there is an area of deadlock with regard  
5 to projected layoffs of people. Can you describe more  
6 fully what you are aware of, what you have come to  
7 learn, with regard to a deadlock in that area.  
8 A The reference was in regard to a memo that Loren  
9 Krenelka sent to Don with the proposed layoffs, and  
10 this memo was in answer to something, a board, that  
11 Jack Hicks set up of the division managers to figure  
12 out what to do about the budget.  
13 Q This was apparently something that Jack Hicks had set  
14 up before he resigned?  
15 A Yes.  
16 Q When was it exactly, if you know, that Jack Hicks or  
17 approximately when was it that Jack Hicks set up that  
18 board of division managers?  
19 A It had to be late in February.  
20 Q So, in late February, it appeared to Jack Hicks that  
21 there needed to be some layoffs?  
22 A I would have to say yes.  
23 Q And that was before this split?  
24 A Yes.  
25 Q Now, you referred to a memo from Loren Krenelka. Do



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you have a copy of that?

A No, I don't. That was one that Loren was to provide.

Q You have indicated there was a memo from Loren Krenelka, and we unfortunately do not have that exhibit here to show you. You do not have a copy of it. Did you see that memo? Have you seen a copy of that memo?

A Yes.

Q What is your understanding of the deadlock that exists regarding layoffs?

A Well, the way I understand it, the senior elders have picked certain ones and Don does not want to pick the same ones.

Q Picked certain ones for what?

A Layoff.

Q Do you know what ones or which people, which employees of the corporation, Don wishes to have laid off and how they differ from what the other two senior elders wish?

A No, I do not.

Q How did you come to learn of the deadlock?

MR. ANDERSEN: We used the term deadlock in out petition, our pleadings. I don't know if it is fair to assume that Mr. Smalley understands what is meant by that term. Maybe he does. Maybe he doesn't.

1 MR. JOHNSON: I am asking Mr. Smalley with  
2 regard to deadlocks as they exist within his under-  
3 standing of the term "deadlock" as he uses the term,  
4 which may be different from the way the petition uses  
5 it. But I am asking with regard to Mr. Smalley's  
6 definition of the word "deadlock."

7 A The way I understand your question is, when I first  
8 learned about it, how it affects me?

9 Q Where did you get your information that there was a  
10 deadlock about layoffs and what was the nature of  
11 that deadlock? I think we know what a deadlock is.  
12 It is a dispute. It is an area where they can't  
13 agree on something.

14 When did you learn about it? What did you learn  
15 about it and from whom did you learn about it, whom  
16 or what other sources?

17 MR. ANDERSEN: I will make my continuing  
18 objection for the record as to hearsay statements.

19 Q I believe you have indicated that you understand there  
20 is a dispute as to who should be laid off in order to  
21 help cut the budget deficit.

22 A Yes. From a note here dated March 23, 1988, from  
23 Don Barnett to Loren Krenelka, Scott Huntley and  
24 Jack DuBois, which Drake Pesce got a copy of, and I  
25 got a copy from him, which we referenced back to that

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letter that Loren provided to Don on March 22.

It states: "Before I can approve employee layoffs, I need to review the drafts of the consensus of the department heads mentioned on page one, paragraph two."

MR. JOHNSON: May we have this marked as an exhibit or run a copy and have a copy marked as an exhibit.

THE WITNESS: Sure.

MR. JOHNSON: Do you have a copy of this?

THE WITNESS: No.

(Exhibit No. 130 marked for identification.)

Q In reference to what has been marked as Exhibit 130, is that the source of your information with regard to the deadlock with regard to layoffs?

A That is the written source, yes.

Q That suggests that the pastor wishes some more information before he approves the particular layoffs; is that a fair statement?

A Yes, that is what it -- yes.

Q Do you know whether or not he was ever provided that information?

A No, I do not.

Q Do you know whether there in fact is a deadlock?

1 A Well, only in the fact that nothing has been done by  
2 it.

3 Q Based on your experience as a treasurer and your  
4 background and based on your general knowledge beyond  
5 that, does it appear that the sort of information that  
6 he is requesting there is a reasonable request in  
7 order to determine whether or not the particular  
8 people proposed to be laid off should be the ones to  
9 be laid off?

10 A The past policy that the general manager operated  
11 under, he took the department heads' suggestion and  
12 worked with it because he did not have the direct  
13 information about whether the division can operate  
14 with or without the people. So, he took this  
15 information and operated under it, and what I read  
16 in this thing is that the pastor or the president,  
17 Don Barnett, wanted to make decisions -- something  
18 written where it was a judgment on the department  
19 heads, from the department heads themselves, as to  
20 whether they could operate or not.

21 Q Doesn't he seek review of the drafts of the consensus  
22 of the department heads?

23 A Yes.

24 Q Doesn't that seem to imply that the department heads  
25 were required to make some proposals, and they made

1 written proposals that would be the sorts of things  
2 that typically Jack Hicks would have reviewed to make  
3 a decision?

4 A It implies that, but past experience that I know of  
5 was never that case.

6 Q You mean Jack Hicks would never have reviewed anything  
7 in writing from the department heads before making a  
8 proposal?

9 A He would have reviewed that letter like Loren provided  
10 to Don. That is what he would use.

11 Q They would then just essentially rubber-stamp Loren's  
12 letter? I'm talking in terms of past experience.

13 A Yes, basically, he would trust his general managers  
14 that much. Yes.

15 Q You are indicating, I believe, that Jack Hicks was  
16 not the sort of manager that would have sought to see  
17 the documents from the department heads himself?

18 A If there was any document, yes, he would.

19 Q This seems to imply that there were when it indicates  
20 "the drafts."

21 A Yes, I realize it indicates that.

22 Q Do you know whether or not there was anything in  
23 writing?

24 A There was none. There was none. I was in some of the  
25 meetings.

1 Q The department heads never provided anything in  
2 writing with regard to their decision?  
3 A That's true.  
4 Q They just orally told Loren the number of people that  
5 ought to be eliminated or laid off?  
6 A In a meeting, yes.  
7 Q This seems to imply then that that was information  
8 that Pastor Don was not aware of, doesn't it?  
9 A Yes.  
10 Q Do you know whether or not he has been advised that  
11 there are no such documents?  
12 A I don't know.  
13 Q Do you know whether or not in fact an agreement has  
14 been reach with regard to layoffs? I understand you  
15 know that no agreement has been implemented, but do  
16 you know whether or not Scott Hartley and Jack DuBois  
17 and Don Barnett have reached any concurrence?  
18 A No, I don't.  
19 Q I believe you indicated there was another area of  
20 deadlock with regard to the services on the East and  
21 West Campus. Can you describe what you know of that  
22 deadlock?  
23 A All I know there is what they have -- the elders have  
24 said in the services about --  
25 Q They are using this campus, and we are using this

1 campus, and never the twain shall meet?

2 A Yes.

3 Q Are you aware of any deadlock between the pastor and  
4 Scott Hartley and Jack DuBois regarding the pastor's  
5 telephones?

6 A No.

7 Q As treasurer of the corporation, has the operations  
8 manager, Loren Krenelka -- is he the operations  
9 manager?

10 A Yes.

11 Q Or have either of the other two senior elders, Jack  
12 DuBois or Scott Hartley, sought your assistance or  
13 conferred with you regarding possible solutions to any  
14 of the financial problems that the church is having?

15 A No, not that I -- I believe that one about layoffs.

16 Q What did they speak to you about with regard to that,  
17 anything?

18 A No.

19 Q Based on what you know about the church's finances  
20 and based on your experience as the treasurer of the  
21 church, do you have an opinion as to what sort of  
22 steps might be taken to lessen or eliminate the  
23 financial problems the church is presently  
24 experiencing?

25 A None other than just less staff.

1 Q Were you present in any church meetings where either  
2 of the senior elders, Jack DuBois or Scott Hartley,  
3 encouraged, directed, suggested, demanded or in any  
4 other way sought to encourage or sought to discourage  
5 the giving of offerings?  
6 A I was at the service where Scott made the discussion,  
7 yes.  
8 Q When was that service? Do you remember if it was a  
9 Sunday?  
10 A I think it was a Friday night. Probably, the first  
11 one after the 4th.  
12 Q March 11?  
13 A March 11, I think, yes.  
14 MR. ANDERSEN: For the record, I will make  
15 my continuing hearsay objection.  
16 Q Were you present for either of the other services  
17 that weekend?  
18 A Yes.  
19 Q On Sunday?  
20 A Yes.  
21 Q Which one?  
22 A Both of them.  
23 Q Was there anything said during those services  
24 regarding offerings?  
25 A Yes, in the regard that our attorney said to go ahead



1 and pass the -- take the offerings. So, they passed  
2 the offering bags.

3 Q What exactly was indicated in the March 11 service by  
4 Mr. Hartley regarding offerings?

5 A As far as to go ahead and write the checks but hold  
6 onto them. Don't put them in the bank.

7 Q Why?

8 A Well --

9 Q What reason did he give for that request?

10 A I don't remember his words.

11 Q Then two days later, he said on advice of attorneys  
12 an offering should be taken?

13 A Yes.

14 Q Is it a fair characterization that that was not an  
15 encouragement but rather merely a suggestion as to  
16 what the lawyer said?

17 MR. ANDERSEN: That calls for speculation.

18 MR. JOHNSON: I'm asking the witness based  
19 on his interpretation of what was said.

20 MR. ANDERSEN: I instruct him to only answer  
21 if he knows.

22 A I don't know what his reasoning would be.

23 Q How did you take it?

24 A Well, I took it that he okayed -- obeyed his lawyer.

25 Q Was there a statement from somebody in the

1 congregation or a question, "Is there a minimum"?

2 A For offerings?

3 Q Yes, at the time that statement was made by

4 Mr. Hartley on the 13th that the lawyer said to go

5 ahead and take an offering. Did someone in the

6 congregation then ask: "Is there a minimum" or words

7 to that effect?

8 A I don't remember.

9 Q How would you characterize the issue of offerings and

10 how they have been solicited or taken since that

11 weekend? Are offerings actively encouraged and

12 sought? Or are they simply taken without discussion?

13 What is your perception as treasurer and as a member

14 of the church?

15 A They are simply taken like it has always been.

16 Q When the church has a particular financial need, is

17 there some special request made from time to time?

18 A Yes.

19 Q Has that occurred in services?

20 A Since March 4?

21 Q Yes.

22 A No.

23 Q What do you think are the solutions, if you know of

24 any, to the financial problems that the church may be

25 experiencing? Do you have any other suggestions?

1 A No.

2 Q Other than cutting staff, you have no thoughts as to  
3 what steps might be taken?

4 A No, I haven't done any thinking about it. No.

5 MR. JOHNSON: That is all I have. Thank  
6 you very much.

7 Do you have any questions, Counsel?

8 MR. ANDERSEN: Yes, I do.

9

EXAMINATION

10

11 BY MR. ANDERSEN:

12 Q I would like to clarify some dates that we have just  
13 been talking about regarding that Friday evening  
14 where Mr. Hartley suggested that people hold onto  
15 checks. Was that Friday, March 4, or the week  
16 following March 4?

17 A I'm sure it was March 11. It couldn't have been the  
18 4th. It was in the chapel on the East Campus, so,  
19 it had to be the 11th.

20 Q Earlier, in response to Mr. Johnson's question as to  
21 what evidence of deadlock you have seen, you mentioned  
22 paying for Community Chapel's attorneys, increased  
23 prospective layoffs in the future, and there were two  
24 services instead of one. Have you experienced any  
25 other difficulty that Community Chapel has had in

1 carrying out its normal course of ministries because  
2 of the schism or split between those two groups?  
3 A Yes, because of a couple of memorandums I got from --  
4 signed by Donald Barnett. One of them is addressed  
5 to the deacon board members which was delivered to my  
6 house at night, and another one was directed to all  
7 directors and officers from Donald Barnett, and,  
8 again, was delivered to my house in the evening.  
9 Q How would you say that these memos indicate a  
10 problem emanating from this division and split?  
11 A Well, he is talking about making budget adjustments.  
12 I guess, to me -- he sent me a letter addressed to  
13 the deacon board members. According to the bylaws,  
14 I'm not a member of the deacon board, which then is  
15 kind of like harassment.  
16 The other one was to all directors and officers  
17 from the president and, again, I am not a director  
18 or an officer as treasurer.  
19 Q You said you felt harassment?  
20 A Yes.  
21 (Exhibit Nos. 131 and 132  
22 marked for identification.)  
23 Q Will you identify Exhibit 131.  
24 A Yes, it is a memorandum to the deacon board members  
25 from the president, Donald Barnett, dated March 18.  
Q Will you identify Exhibit 132, please.

1 A It is a memorandum to all directors and officers from  
2 President Don Barnett on March 18.

3 Q How did you receive these memorandums?

4 A They were delivered by one of the members attending  
5 the West Campus to my house at night.

6 Q The same is true for Exhibit 132?

7 A Both of them.

8 Q Do you know whether other people who are not on the  
9 deacon board or directors or officers received  
10 similar memorandums?

11 A I do not, no.

12 Q Can you point to other ways in which the division  
13 deadlock is hurting the church or its ministry in any  
14 other way?

15 A We may have covered this, but the biggest one that I  
16 am aware of is the fact of trying to hold church  
17 services, and there is not enough room over there to  
18 really enter in and be a part of it, which is causing  
19 a lot of people to get disheartened.

20 Q Do you know whether this division of two services has  
21 hurt friendships?

22 A Yes, definitely hurt friendships.

23 Q Do you know whether any people have left the church  
24 because of the fact that there are two church  
25 services?

1 A I wouldn't have any proof except the fact there is --  
2 we have over 2,000 -- had over 2,000 giving units in  
3 1987. Now, according to the security head count,  
4 there is less than 300 on the West Campus and about  
5 500 on the East Campus. So, it would be only 800  
6 out of the 2,000.

7 Q What problems, if any, do you foresee in the future  
8 if the cash flow goes as it is going? What will be  
9 the effect on the church ministry?

10 A What are you aiming at on the church ministry?

11 Q Well, I intended it to be a very broad question,  
12 looking at international missions, tape and sound,  
13 ministries, operations, studio, Bible College,  
14 publications and books. How will those divisions be  
15 affected, if at all, by the present financial  
16 direction you see the church taking right now?

17 A Well, the bookstore right now has lost one of their  
18 members. So, they are operating short of staff. As  
19 more people become more disillusioned and resign or  
20 quit, it is going to be hard to maintain the operation  
21 of these divisions.

22 Q Other than this recent instance when you have heard  
23 that Don Barnett received -- I will use the term --  
24 a personal offering, apart from Don Barnett, have you  
25 personally known of anyone else, other ministry staff,

1           who have received personal monetary gifts in the  
2           course of his or her ministry?

3       A     No, that would go through Drake Pesce.  Maybe he can  
4           clear up this thing.  The reason I got involved now  
5           with this and Drake being involved in it is by being  
6           directed to take it out of payroll and we have moved  
7           our payroll into a new computer, so, we are using a  
8           new payroll system since the first of the year.  So,  
9           consequently, the old payroll system I would not get  
10          involved in whether they did or did not take out  
11          these gift offerings from anybody.  It is only this  
12          time I get involved and have come up with this.  I  
13          don't know if they have done it before or not.

14       Q     You just don't know?

15       A     I don't know.

16       Q     Referring to the meeting of the division managers  
17           that Jack Hicks called in late February, you said you  
18           believe that Jack Hicks felt there would be a need  
19           for layoffs in the future.  Is that what you said?

20       A     Yes.

21       Q     Did he give a reason as to why he felt there would be  
22           a need for future layoffs?

23       A     Yes.  There had already been two during this fiscal  
24           year and that \$95,000 loss up here, he was still  
25           trying to find some way to remove that.

1 Q Assuming these two services, these two groups,  
2 continue meeting and for the time being, assuming that  
3 the numbers stay about the same, can the church  
4 continue with its current operation, say, through the  
5 year 2,000?

6 A No, not with the present staff, no.

7 Q Why?

8 A Because the payroll and payables are more than the  
9 money they are bringing in.

10 Q Given the present staff and the present division of  
11 congregations, how long do you foresee the church  
12 lasting or, stated another way, do you foresee any  
13 point in time when financially property would have to  
14 be sold or income would have to come from other  
15 sources?

16 A I think, according to the budget summary we have here  
17 and the rate of drop, I would say they will be down --  
18 all other funds will be gone in six months.

19 Q Has it been difficult for you as treasurer to work  
20 in the present situation, the present status quo?

21 A Yes, and the fact of being connected -- working with  
22 Drake Pesce and his confrontations that he talks to  
23 me about in the accounting office.

24 MR. ANDERSEN: I don't have any more  
25 questions.



FURTHER EXAMINATION

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BY MR. JOHNSON:

Q You are the treasurer of this corporation; is that fair to say?

A That's fair to say.

Q But you don't feel you are an officer?

A That is right in the bylaws, sir.

Q Did the receipt of either one of these letters, Exhibits 131 and 132, create a real difficulty for you in some way?

A Well, the main thing is, the difficulty in the fact that our president is referring to me in a capacity that the bylaws say I am not in.

Q If he has mistakenly listed you as a member of the deacon board or an officer, that mistake is the problem?

A Yes.

Q Are you aware in most corporations that the treasurer is one of the officers of the corporation?

A Yes.

Q Did it occur to you that this is a simple mistake in Pastor Don's mind?

A I brought this up to Don when I first went on staff, the fact that the bylaws -- the treasurer is nothing but just something in the bylaws because he has no

1 authority. I brought it up, the fact that the  
2 treasurer, like you say, the treasurer -- usually,  
3 the corporation is just part of the directors. I  
4 have never signed any of the articles of  
5 incorporation or anything. I have never had -- and  
6 I don't have any authority for the budget. I don't  
7 have any authority to stop payments or anything.

8 Q Who does have that sort of authority?

9 A The general manager.

10 Q Who is the vice-president?

11 A Has been, yes.

12 Q Is my definition under --

13 A According to the bylaws, yes.

14 Q The president has the authority to stop payments?

15 A It doesn't say that, sir.

16 Q Where does it say the general manager has that  
17 authority to stop payments?

18 A The treasurer shall have -- okay, this is Division 1,  
19 Article 5C: "The treasurer shall have the  
20 responsibility of paying all bills on time. Payments  
21 shall not be delayed on a unilateral decision by a  
22 department head, although a department head may  
23 suggest such action. The general manager, however,  
24 shall have the authority to delay payments."

25 Q By that, you read he can delay them indefinitely,

1           just refuse to pay?

2       A     Yes.

3       Q     You indicated, based on the budget summaries -- are  
4           you referring there to Exhibit No. 127?

5       A     Exhibit 128.

6       Q     Based on those budget summaries, you indicated that  
7           something would happen in six months; is that correct?

8       A     Yes, where you have a \$236,000 deficit by the end of  
9           May, which is three months, something is going to  
10          have to be done when you get \$500,000 in the hole.

11      Q     What will happen in six months, though?

12      A     I don't know, sir. I don't know.

13      Q     I think you have indicated you can't trust Exhibit  
14          No. 127 with regard to its forecasts?

15      A     128.

16      Q     Exhibit No. 128 is the budget summary that you were  
17          referring to, is it not, because Exhibit No. 127 is  
18          not a budget summary?

19      A     Right. Yes. The way that Exhibit 128 on the budget  
20          summary is presented, it is confusing. But Exhibit  
21          No. 129, which is a computer printout, definitely  
22          states the fact they will be that far -- there will  
23          be a big loss by the end of May.

24      Q     Is it fair to say that based on Exhibit 129, there  
25          will be a big loss by the time May comes if Drake

1 Pesce guessed right when he came up with the numbers  
2 in the upper right-hand corner of page 1 of Exhibit  
3 No. 129 where he has injected the figures \$100,000  
4 for tithes and offerings for March, \$80,000 for April  
5 and \$100,000 for May?

6 A That would be true, yes.

7 Q You have no projections, not even projections from  
8 Drake Pesce, as to what is going to happen in June,  
9 July and August?

10 A That's true.

11 Q Six months from now, even based on Drake Pesce's  
12 calculations, we don't know what the situation will  
13 be?

14 A That's true.

15 Q I believe you also indicated with the present payroll  
16 and expenses, the corporation could not continue to  
17 exist, in your opinion, until the year 2,000; is that  
18 correct?

19 A That's correct.

20 Q With the present payroll and the present expenses  
21 and income, as Jack Hicks saw them at the end of  
22 February, isn't it fair to say that the corporation  
23 could not have continued to exist until the year  
24 2,000, losing money as it was projected to lose even  
25 then, assuming no steps were taken to correct

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anything?

A That's right, because he was working on the budget cut. Yes.

Q Do you think if the elders, Jack DuBois and Scott Hartley, got up and instead of saying we must take an offering, instead, they got up and actively encouraged, as has apparently been the case in the past in periods of financial need, to give extra, "We need the offerings," would that help the financial picture?

A It would have to help, yes.

Q But that has not happened yet?

A That's right.

MR. JOHNSON: I have no further questions.

MR. ANDERSEN: I have one more.

FURTHER EXAMINATION

BY MR. ANDERSEN:

Q Mr. Smalley, based on your experience as treasurer over the years with Community Chapel, based on the numbers in Exhibit 129, based upon those numbers that you know to be accurate, based upon what you know of the giving since the end of February, how much longer do you think Community Chapel can continue to stay on its present course before it is faced with bankruptcy?

MR. JOHNSON: I will register for the record

1 an objection since it fails to provide sufficient  
2 information and facts upon which the witness can state  
3 an opinion.

4 Q You can answer to the best of your ability on the  
5 information that I have stated.

6 A Well, you can't keep spending more money than you are  
7 bringing in. Consequently, there has to be a time of  
8 accounting for it. Just from the figures I see there  
9 with the offerings that are coming in, they are going  
10 to be a half million, at least, in the hole by six  
11 months and something has to happen.

12 MR. ANDERSEN: No further questions.

13 FURTHER EXAMINATION  
14

15 BY MR. JOHNSON:

16 Q Are you aware that elders sought and obtained a  
17 restraining order restraining the pastor from laying  
18 any people off?

19 A I'm aware of the mutual restraining order, yes.

20 MR. JOHNSON: That is all I have.

21 MR. ANDERSEN: Nothing further.

22 (Deposition concluded at  
23 12:12 o'clock p.m.  
Signature was waived.)

24  
25

C E R T I F I C A T E

STATE OF WASHINGTON )  
COUNTY OF KING )

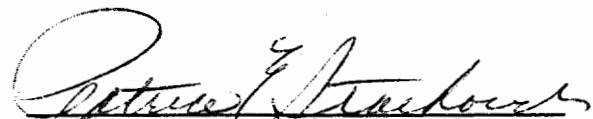
I, the undersigned officer of the Court under my commission as a Notary Public in and for the State of Washington, hereby certify that the foregoing deposition upon oral examination of the witness named herein was taken stenographically before me and thereafter transcribed under my direction;

That the witness before examination was first duly sworn by me to testify truthfully; that the transcript of the deposition is a full, true, and correct transcript of the testimony, including questions and answers and all objections, motions, and exception of counsel made and taken at the time of the foregoing examination;

Page 1 of 2

That I am neither attorney for, nor a relative or employee of any of the parties to this action; further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially interested in its outcome.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 25th day of April 1988.

  
NOTARY PUBLIC in and for the  
State of Washington residing at  
Seattle

Page 2 of 2

**Rough & Associates**  
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# Community Chapel & Bible Training Center

18635 8th Avenue South, Seattle, Washington 98148

Phone (206) 431-3100

Pastor Donald Lee Barnett

Sanctuary located at First Avenue South and South 192nd

April 5, 1988

SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

Subpoena Information for Appendix A, Question #22  
No: 88-2-05272-7

Attachment #1 is a listing of West Campus giving units that gave offerings during the weekends of March 13, 20 and 27 plus known leaders that made no offerings during the above weekends.

The Calendar Year 87 figures came from the same computer file that the 1987 Offering Statements were produced from. Attachment #2 is the first and last page of the computer printout which is furnished to substantiate the total figure.

Since there is no facility restriction with the sanctuary allowing all of the congregation from attending the West Campus group, and this listing includes all that are voluntarily attending as proven by offerings being given. The assumption can be made that the balance of the congregation would prefer to follow the Elders if there were no facility restrictions.

EXHIBIT 127 DATE \_\_\_\_\_  
WITNESS \_\_\_\_\_  
PATRICE STARKOVICH 682-1427

1951

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02648	3183.00	200.00	280.00	300.00
00002	2425.00	200.00	200.00	300.00
00005	1166.00	150.00	80.00	25.00
00009	5026.00	440.00	210.00	420.00
00016	2470.00	300.00	225.00	225.00
00020	2050.00	500.00	250.00	100.00
00024	1554.00	50.00		50.00
03030	160.00		40.00	65.00
00034	528.00	100.00	105.00	100.00
00070	1033.00	220.00		135.00
00080	6088.00	410.00	410.00	280.00
00089	8900.00			
02585	2305.50	225.00	122.00	108.00
00111	2445.00	250.00	250.00	25.00
00112	632.93	130.00	130.00	
00122	1275.00	125.00	140.00	65.00
00127	4825.00	528.00	200.00	50.00
03069	0.00			175.00
02765	5323.00	440.00	440.00	605.00
03242	175.00	125.00	115.00	50.00
00155	2150.00		250.00	401.00
00162				40.00
00165				
00170	3774.00	550.00	238.00	212.00
00176	2565.00	360.00	180.00	300.00
00182	1152.48	314.00		60.00
02052	2398.04	302.18	350.50	171.71
00193	910.00	100.00	100.00	50.00
00213	4052.35		300.00	400.00
02729	295.00	54.14	115.25	47.15
00233	535.00	50.00		30.00
00235	575.00	233.00		135.00
03090	1437.00			80.50
00261	2140.00	330.00	150.00	80.00
00300	2895.00	400.00	300.00	230.00
03117	0.00			
02542	3185.00	390.00	260.00	130.00
00314	3870.00	320.00	160.00	190.00
00317				15.00
02419	2323.79	25.00	435.00	305.00
00320	7905.00	530.00	595.00	360.00
00331	120.00	15.00	45.00	
00334	2150.00			400.00
02459	3126.08	220.40	346.00	257.52
00351	1575.00	175.00	175.00	175.00
00361	2824.00	171.00	245.00	75.00
03177	570.00	195.00	130.00	65.00
00376	2375.00	250.00		500.00
00398	1876.00	216.00	335.00	200.00
00399	3705.00	525.00	175.00	175.00
00402	1080.00	300.00	100.00	150.00
02857	458.00	45.00	15.00	102.00
02412	3856.50	217.00	453.00	234.00
02402	75.00	50.00		50.00
03036	2725.00	160.00	160.00	80.00

00431	1115.00	70.00	221.00	150.00
00081	425.50	22.00	22.50	30.00
00432	708.50	605.00	450.00	515.00
00458	1070.00	200.00	130.00	120.00
00451	3482.50	255.00	251.00	60.00
02384	1201.50	121.50	205.00	205.00
02201	382.00	70.00	5.00	115.00
00482	2450.00	65.00	375.00	105.00
00492	49.50	5.00	6.00	3.00
00495	2550.00	92.00	106.00	92.00
00502	4875.00	400.00		200.00
00506	3584.32	255.00		190.00
02554	857.81	110.00	110.00	110.00
00511	1320.00		30.00	60.00
02215	3032.00	305.00	373.00	177.00
00517	9144.58			121.66
02715	2536.00	270.00	210.00	205.00
00532	1212.00	60.00	140.00	160.00
01932	305.00	22.00	46.00	123.00
00551	4845.00	300.00	285.00	300.00
00552	2255.00	300.00	240.00	190.00
00561	3297.30		565.00	770.00
00564	1410.00	150.00		65.00
02437	2575.00	345.00	235.00	170.00
00602	740.00		52.00	35.00
01878	4480.00	450.00	450.00	450.00
02697	1320.00	180.00	60.00	120.00
00607	3777.00	525.00	275.00	195.00
00614	2465.00	365.00	340.00	260.00
00616	3100.00	300.00	200.00	150.00
03192	266.50	51.00	48.00	15.00
03027	1348.00		100.00	15.00
00643	7215.00	1350.00	310.00	620.00
00447	541.00		60.00	55.00
02618	3844.00	240.00	320.00	160.00
02862	1025.50	150.00	155.00	65.00
00673	1817.50	45.00	315.00	100.00
00681	1247.00	245.00	142.00	142.00
00687	2300.00	20.00	200.00	100.00
00688	3695.00	500.00	447.00	130.00
00690	1007.75	75.00	130.00	165.00
00695	3952.00	144.00	465.00	136.00
00701	3300.00	600.00	300.00	300.00
00704	2856.00	264.00	255.00	255.00
00709	3589.00	150.00	410.00	275.00
02348	155.50		182.00	104.00
02355	1242.56	25.75	100.00	120.00
00292	1053.00	65.00	170.00	
00734	4149.58	402.00	444.00	212.06
00738	3392.00	292.00	195.00	192.00
00745	3721.93	241.00	1371.00	229.00
00746	50.70			11.00
00751	2072.00	245.00	259.00	65.00
00756	3413.15	186.00	230.00	40.00
01857	1212.00	70.00		80.00

03.....

00796	815.00	75.00	47.00	35.00
00798	8098.00	500.00		820.00
02089	2605.00	215.00	210.00	105.00
00802	1225.00			50.00
02643	1115.00	95.00	55.00	95.00
00805	3150.00	530.00		265.00
03231	90.00	30.00	40.00	45.00
00807	1764.00	170.00	180.00	200.00
00830	540.00	40.00	60.00	30.00
00864	2280.00	50.00	112.00	60.00
00866	1700.00	90.00	160.00	410.00
02034	441.00	65.00	100.00	50.00
00888	5025.51		655.00	710.00
00896	2479.00	330.00	110.00	110.00
00906	1840.69	51.50	100.00	100.00
00914	3499.00	155.00	300.00	125.00
00917	1940.00	100.00	100.00	500.00
00918	5024.32	290.00	215.00	181.00
00920	4915.00	330.00	338.00	400.00
00929	7237.00	685.00	115.00	455.00
03180	344.00	47.00		45.00
00933	5734.49		600.00	600.00
00936	895.00			100.00
00943	7330.00	665.00	665.00	665.00
00946	1442.00		476.00	183.00
00965	4590.00	425.00	419.00	402.00
03095	1226.00	191.00	175.00	89.00
00991	1150.00	200.00	200.00	100.00
00995	2795.00	200.00	375.00	125.00
00997	1330.00	120.00	120.00	170.00
02176	4310.00	445.00	380.00	275.00
01012	4217.26	550.00	650.00	725.00
01015	2410.00	100.00	200.00	300.00
01016	2440.00	315.00	250.00	
01870	4173.00	585.00	266.00	411.00
01043	1875.00	300.00	300.00	225.00
01046	2523.00	329.00	230.00	226.00
02092	1940.00	240.00	160.00	60.00
02835	5676.56	288.00	464.00	125.00
01053	2076.73	214.35	60.00	120.60
01062	2780.07	84.36		300.00
01063	1494.50	450.00	300.00	100.00
02171	851.81	261.52	153.82	234.00
01064	6134.01	504.00	571.00	570.00
01090	3000.17	300.00	300.00	300.00
01091				1000.00
01093	1985.00	150.00	150.00	125.00
01094	2920.00	360.00	240.00	240.00
01098	4065.00	612.00	171.00	455.00
02403	1518.00	211.50	128.26	114.50
01124	4423.00	300.00	0.00	75.00
01136	1590.00	255.00	115.00	215.00
02829	770.00	100.00	59.81	60.00
01157	5446.25	0.00	402.85	425.00
01159	3645.87	445.47	382.22	425.49

05..... 06..... 07..... 08..... 09.....

01175	265.00		40.00	50.00
01181	2702.95	160.00	160.00	230.00
01182	2400.00	225.00	450.00	0.00
02073	10228.00	920.00	670.00	740.00
01203	790.00	430.00		100.00
01204	1200.00	100.00		35.00
01210	760.00	110.00		60.00
01211	4728.16	386.00	230.00	280.00
02501	1301.58	115.40	62.55	100.00
01221	3550.00	650.00	350.00	260.00
03053	658.28	98.23	132.21	98.90
01227	150.00	55.00	20.00	75.00
01232	7387.00	217.00	251.00	161.00
01258	4811.00	302.00	400.00	540.00
01259	2610.40	10.00	340.00	50.00
01260	3820.00	300.00	300.00	220.00
01282	39.00			50.00
01299	3012.00	350.00	50.00	100.00
01908	1744.00	150.00	116.00	110.00
02637	4634.22	417.55	427.00	518.00
01332	3842.00	292.00	260.00	250.00
01337	6602.72	447.00	155.00	260.00
01353	3144.14	185.00	60.00	167.25
02458	990.00	100.00		100.00
01373	2825.00	100.00	250.00	100.00
01390	250.00			50.00
01395	1801.43	256.10	110.00	185.00
01403	7541.50	655.00	720.00	290.00
02453	3159.35	719.50	302.75	513.00
01435	3727.39	379.35	217.40	142.20
01444	7545.00		890.00	890.00
02259	3442.00	455.00	348.10	270.00
01457	1976.20	410.70	200.60	200.00
03097	450.00		20.00	20.00
01464	2167.27	250.00	250.00	250.00
01466	7551.50	1170.00	140.00	140.00
02649	560.00	100.00	50.00	100.00
02254	753.00	185.00	115.00	120.00
03114	710.00	250.00	100.00	325.00
01490	2200.00	165.00	165.00	165.00
01492	2065.00	160.00	225.00	125.00
02396	1731.00	320.00	156.00	124.00
01899	1530.00		130.00	100.00
01534	3025.00	300.00	100.00	450.00
03048	4306.81	300.00	452.97	642.42
01537	3488.00	345.00	231.00	292.00
01547	224.25	10.00	1.00	25.00
02739	660.00	270.00	135.00	107.00
03230	790.00		440.00	110.00
01573	2917.25	120.00	160.00	25.00
01936	170.00			20.00
01588	2545.00	322.15	358.00	320.00
03199	220.00	50.00		50.00
01610	2515.00	305.00	460.00	220.00
01611	2033.00	210.00		100.00

CALENDAR 6 1987 FEBRUARY 1987

02360	1751.60	210.00	150.00	202.00
02579	3050.22	300.00	280.00	290.00
02223	1707.80		24.00	200.00
01621	1500.00		300.00	200.00
02411	5299.36	570.00	615.00	260.00
01632	500.00			70.00
01654	1160.00	400.00	100.00	100.00
01662	4845.00	450.00	450.00	400.00
01663	75.00	40.00	42.00	40.00
01692	2590.55	300.00	365.00	245.00
01699	4530.00	630.00	280.00	70.00
02308	13365.00	1364.00	699.00	365.00
02028	7415.00	350.00	265.00	350.00
01715	101.00			20.00
01720	2345.64			356.77
01728	3710.00	410.00	320.00	240.00
01735	681.00	85.00	35.00	75.00
01755	3655.00	250.00	265.00	400.00
01763	3856.00	500.00	495.00	25.00
02261	1250.00	100.00	100.00	100.00
01768	3170.00	198.00	195.85	65.00
01782	1816.66	125.00	150.00	135.00
01795	5075.00	500.00	385.00	365.00
02638	780.00	100.00	100.00	125.00
02265	2590.00	280.00	260.00	305.00
01835	2131.00	140.00	185.00	275.00
02455	240.00			10.00

\*\*\* 637269.26 56574.67 50429.64 48575.73

247 ITEMS LISTED. 8.9% 7.9% 76%  
OF 1987 OFFERINGS

2,484,268.05 TOTAL 1987 OFFERINGS  
25.7% GIVEN BY THIS GROUP (WEST CAMPUS)

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CS..... CALENDAR 83.

03246	0.00
03235	0.00
02179	1175.00
02302	35.00
01938	
02352	
02643	2132.00
02951	4405.00
00002	347.00
00003	2425.00
00005	1168.00
02234	
00009	5036.00
00010	4455.00
02363	
00011	
00013	
00014	
00015	44.50
02972	
02469	295.00
03154	0.00
02943	
02334	
03050	46.00
00016	2470.00
02087	2355.00
00020	3030.00
00022	
00023	6400.00
00870	
00024	1554.00
02460	
02931	
02142	
00027	3233.00
01867	
02262	
03261	0.00
00032	200.00
03033	920.00
03051	546.15
03030	160.00
00029	4295.00
02902	10.00
00030	2565.00
02152	800.00
03178	0.00
02886	
02530	1053.00
00034	
00035	595.00
03252	0.00
00033	
00036	326.00

03..... CALENDAR 1971.

01848	
01850	3429.00
01851	1535.00
01852	429.00
03000	
01854	
01855	
03174	0.00
01934	5501.92
02627	
03203	0.00

\*\*\* 2484266.05

2046 ITEMS LISTED.



CORPORATE BUDGET SUMMARY  
 JANUARY 1987  
 (IN THOUSANDS)

CONFIDENTIAL

DISTRIBUTION DATE: 2/24/87  
 PREPARED BY: CHARLOTTE MCGAUGHY  
 COPIES: BARNETT, DUBOIS, HARTLEY,  
 HICKS, SMALLEY, SNOEY, PESCE

	CURRENT MONTH	FISCAL YEAR-TO-DATE					FORECAST FOR YEAR ENDING MAY 1987				NOTES
	GAIN OR -LOSS	INCOME	EXPENSE	GAIN OR -LOSS	VARIANCE \$ %		GAIN OR CURRENT ESTIMATE	-LOSS DEA BOARD APPROVED	VARIANCE \$ %		
CHURCH - ACTUAL	-35.3	1793.2	1714.5	78.7	29.4	59.6	69.9 <sup>①</sup>	8.9	61.0	685.4	A
- BUDGET	-20.0	1804.2	1754.9	49.3							
MINISTRIES	-0.5	252.1	242.9	9.2	8.4	1050.0	6.4	-1.8	8.2	435.5	B
	-1.5	254.9	254.1	0.8							
TAPE & SOUND	-2.6	91.1	89.6	1.5	14.2	111.8	1.0	-19.1	20.1	105.2	B
	-4.9	81.4	94.1	-12.7							
OPERATIONS	-12.1	569.4	547.8	21.6	15.5	254.1	45.9	30.4	15.5	51.0	B
	-17.2	588.0	581.9	6.1							
STUDIO	-3.7	59.8	80.0	-20.2	-20.0	-10000.0	-31.2	4.6	-35.8	-778.3	C
	-1.0	79.1	79.3	-0.2							
BIBLE COLLEGE	85.9	290.1	197.0	93.1	8.2	9.7	-15.5	-18.1	2.6	14.4	D
	82.8	287.3	202.4	84.9							
STUDENT APTS.	-0.2	162.2	170.2	-8.0	-5.5	-220.0	-6.4	4.2	-10.6	-252.4	D, F
	2.8	184.5	187.0	-2.5							
CHRISTIAN SCHOOL	-15.6	499.0	547.9	-48.9	3.5	6.7	-91.8	-111.2	19.4	17.4	D
	-18.9	499.6	552.0	-52.4							
PUBLICATIONS	-11.3	247.7	240.0	7.7	-2.3	-23.0	23.3	26.1	-2.8	-10.7	
	-11.9	256.7	246.7	10.0							
BOOKSTORE	-0.1	166.0	158.5	7.5	-8.0	-51.6	-0.1	14.8	-14.9	-100.7	C, E
	-1.4	213.3	197.8	15.5							
TOTAL - ACTUAL	4.5			142.2	43.4	43.9	1.5	-61.2	62.7	102.4	
- BUDGET	8.8			98.8							

Budget Manager Approval: (Signature)

NOTES:

- Minus Sign "-" indicates loss or unfavorable variance.
- Any cash surpluses are put either into savings or debt retirement.
- A. Budget cuts and limits on new purchases have been helping.
- B. Payroll cuts have been helping.
- C. Tape sales are still running below budget.
- D. Current estimate includes provision for possible losses on outstanding contracts.
- E. Sales are still running below budget.
- F. The Bible College will subsidize the loss.

① includes \$20K income for property sale

EXHIBIT 128 DATE \_\_\_\_\_  
 WITNESS \_\_\_\_\_  
 PATRICE STARKOVICH 682-1427

CORPORATE BUDGET SUMMARY  
 FEBRUARY 1987  
 (IN THOUSANDS)

DISTRIBUTION DATE: 4/3/87  
 PREPARED BY: CHARLOTTE MCGAUGHEY  
 COPIES: HARTLEY, HICKS, SMALLEY,  
 SNOEY, PESCE

	CURRENT MONTH	FISCAL YEAR-TO-DATE	FORECAST FOR FY ENDING 5/31/87		NOTES
	GAIN OR -LOSS	GAIN OR -LOSS	PROJECTED END OF YR GAIN/LOSS	APPROVED END OF YR GAIN/LOSS	
CHURCH - ACTUAL	6.3	97.6	122.4	37.3	
- BUDGET	-35.9	41.7			
MINISTRIES	-1.3 -1.0	7.9 -0.2	9.3	-1.8	
TAPE & SOUND	-0.9 -1.0	0.6 -13.7	3.4	-19.1	
OPERATIONS	-0.5 7.6	21.1 13.8	27.0	30.4	
STUDIO	4.0 0.0	-16.1 -0.2	-24.0	4.6	B
BIBLE COLLEGE	-19.3 -23.4	74.0 63.5	-2.8	-18.1	
STUDENT APTS.	-3.7 4.6	-11.7 0.2	-5.4	4.2	C
CHRISTIAN SCHOOL	-1.8 -15.3	-50.6 -67.6	-67.5	-104.2	
PUBLICATIONS	1.5 4.6	9.3 14.6	20.5	26.1	
BOOKSTORE	5.8 0.0	13.3 15.5	9.1	14.7	
TOTAL - ACTUAL	-9.9	145.4	92.0	-25.9	A
- BUDGET	-59.8	67.6			

Budget Manager Approval: cmf LWS

NOTES:

---Minus Sign "-" indicates loss.

---Any cash surpluses are put either into savings or debt retirement.

A. Difference between -25.9 K and 92K shows result of cost-cutting measures throughout the corporation!

B. Tape sales still running low.

C. Past dues are high, and we don't have full occupancy.

CORPORATE BUDGET SUMMARY  
MARCH 1987  
(IN THOUSANDS)

DISTRIBUTION DATE: APRIL 24, 1987  
PREPARED BY: CHARLOTTE MCGAUGHEY  
COPIES: HARTLEY, HICKS, SMALLEY,  
SNOEY, PESCE

	CURRENT MONTH	FISCAL YEAR-TO-DATE	FORECAST FOR FY ENDING 5/31/87		NOTES
	GAIN OR -LOSS	GAIN OR -LOSS	PROJECTED END OF YR GAIN/LOSS	APPROVED END OF YR GAIN/LOSS	
CHURCH - ACTUAL	23.8	121.4	129.8	37.3	
- BUDGET	-29.6	54.7			
MINISTRIES	-1.2	6.7	1.4	-1.8	
	0.1	0.0			
TAPE & SOUND	3.3	3.9	4.6	-19.1	
	-2.3	-15.9			
OPERATIONS	6.4	27.4	29.5	30.4	
	11.9	25.7			
STUDIO	-2.9	-19.0	-19.4	4.6	
	1.7	1.5			
BIBLE COLLEGE	-16.6	43.3	6.0	-18.1	
	-21.7	41.8			
STUDENT APTS.	-1.0	-10.0	-7.6	4.2	
	2.9	3.1			
CHRISTIAN SCHOOL	-4.4	-55.1	-66.8	-104.2	
	-13.4	-81.0			
PUBLICATIONS	-0.9	8.4	10.1	26.1	
	5.5	20.2			
BOOKSTORE	-3.0	10.3	8.2	14.7	
	0.0	15.4			
TOTAL - ACTUAL	3.5	137.3	95.8	-25.9	
- BUDGET	-44.9	65.5			

Budget Manager Approval: \_\_\_\_\_

NOTES:  
---Minus Sign "-" indicates loss.  
---Any cash surpluses are put either into savings or debt retirement.

DATE: September 1, 1987.  
TO: Jack Hicks  
Wyman Smalley  
Drake Pesce  
FROM: Charlotte McGaughey  
RE: JUNE AND JULY BUDGET SUMMARIES

I combined the data from each of the departmental summaries on the attached sheets. The bottom line is that we went in the red \$28,131 in June, and \$30,330 in July. On the positive side, those amounts were lower than the deficits we had budgeted. However, it is too early to project the upcoming ten months, because of Bible College and Christian School enrollment.

Below I've listed the major components of the differences between actual and budgeted figures, for June and July combined.

**Church:** Offerings were \$6,000 higher than budgeted in July.  
Expenses were much lower than budget (see details of difference below).  
\$32,600 in OPS maintenance charges  
14,560 in Deacon Board projects  
1,300 in fire & liability insurance  
6,780 in OPS security charges  
1,000 in parsonage maint/expenses  
2,500 in utilities  
2,000 in Couns. Ctr. expenses  
5,500 in Youth Min. expenses (retreat income comes in before bills are paid)

**OPS:** Budget was too high for both income and expenses; projects have been deferred, no summer help was hired.

**STU:** Actual tape sales were lower than our already low budget.

**B.C.** Fall tuition came in earlier than expected. Don't get hopes up yet!

**ST APTS** Past due rent from May '87 came in June (\$7,000 that should have come on last year's budget).

**Chr. Sch** Income lower than budgeted, and textbook orders that we budgeted for August came in early.

**CORPORATE BUDGET SUMMARY**  
June 1987

	<u>Income</u>	<u>Expenses</u>	<u>Gain/Loss</u>
Church	168,733 165,875	220,307 239,791	-51,574 -73,916
Intl Missions	1,647 1,350	2,299 2,350	-652 -1,000
Tape & Sound Min.	9,904 10,265	8,988 11,093	916 -828
Operations	75,592 113,445	71,813 107,582	3,780 5,863
Studio	2,446 5,075	7,998 8,626	-5,552 -3,551
Bible College	28,479 17,685	13,529 16,032	14,950 1,653
Student Apts.	24,135 17,250	22,512 21,232	1,623 -3,982
Christian School	37,698 42,775	31,498 29,416	6,200 13,359
Publications	26,040 26,491	24,838 25,586	1,201 905
Bookstore	13,121 12,375	12,144 15,365	977 -2,990
			-----
<b>TOTAL</b>			<del>17,251</del> <b>-64,487</b>

Notes:

**Bold type** indicates actuals.

Regular type indicates budget.

Distribution: Jack Hicks, Wyman Smalley, Drake Pesce

COR. BUD. SUM. JUN  
8/31/87CMC

**CORPORATE BUDGET SUMMARY**  
**July 1987**

	<u>Income</u>	<u>Expenses</u>	<u>Gain/Loss</u>
Church	<b>172,404</b> 166,225	<b>193,343</b> 237,833	<b>-20,939</b> -71,608
Intl Missions	<b>796</b> 1,350	<b>2,050</b> 2,150	<b>-1,255</b> -800
Tape & Sound Min.	<b>8,341</b> 8,070	<b>10,697</b> 11,115	<b>-2,356</b> -3,045
Operations	<b>67,689</b> 99,050	<b>69,046</b> 88,682	<b>-1,357</b> 10,368
Studio	<b>6,905</b> 5,075	<b>6,526</b> 8,921	<b>380</b> -3,846
Bible College	<b>21,448</b> 29,775	<b>12,500</b> 14,222	<b>8,948</b> 15,553
Student Apts.	<b>15,141</b> 18,650	<b>18,415</b> 23,362	<b>-3,274</b> -4,712
Christian School	<b>4,278</b> 13,225	<b>21,005</b> 16,025	<b>-16,727</b> -2,800
Publications	<b>27,023</b> 24,886	<b>20,598</b> 27,328	<b>6,425</b> -2,442
Bookstore	<b>17,521</b> 19,980	<b>17,696</b> 17,205	<b>-175</b> 2,775
			-----
<b>TOTAL</b>			<b>-30,330</b> -60,557

**Notes:**

**Bold type** indicates actuals.  
Regular type indicates budget.

**Distribution:** Jack Hicks, Wyman Smalley, Drake Pesce

COR.BUD.SUM.JUL  
8/31/87CMC

DATE: September 27, 1987

TO: Jack Hicks  
Wyman Smalley  
Drake Pesce

FROM: Charlotte McGaughey

RE: CORPORATE BUDGET SUMMARY FOR AUGUST

Attached is the August summary. The budget figures do not reflect the cuts made recently. They are the original budget amounts.

Offerings are \$17,500 more than budgeted!

Maintenace expenses remain low due to cancellation and postponement of projects.

The areas to watch are Student Apartments and Christian School. If we lose more people, these two budgets will be directly affected, and church subsidies will be needed.

C-COR.BUD.SUM

**CORPORATE BUDGET SUMMARY**

August 1987

	<u>Income</u>	<u>Expenses</u>	<u>Gain/Loss</u>	<u>Projected Y/E Balance</u>
<b>Church</b>	<b>227,558</b> 210,025	<b>187,637</b> 215,014	<b>39,921</b> -4,989	<b>-118,747</b>
<b>Intl Missions</b>	<b>1,227</b> 1,350	<b>3,266</b> 2,850	<b>-2,039</b> -1,500	<b>-18,295</b>
<b>TSM</b>	<b>9,107</b> 10,265	<b>6,656</b> 10,316	<b>2,451</b> -51	<b>5,045</b>
<b>Operations</b>	<b>61,947</b> 99,365	<b>57,393</b> 90,292	<b>4,555</b> 9,073	<b>-3,203</b>
<b>Studio</b>	<b>5,955</b> 5,075	<b>7,348</b> 7,836	<b>-1,393</b> -2,761	<b>-27,254</b>
<b>Bible College</b>	<b>1,991</b> 16,625	<b>14,600</b> 16,147	<b>-12,609</b> 478	<b>-7,962</b>
<b>Student Apts.</b>	<b>18,039</b> 18,650	<b>21,396</b> 23,362	<b>-3,357</b> -2,737	<b>-30,896</b>
<b>Chr. School</b>	<b>82,526</b> 68,925	<b>24,325</b> 24,950	<b>58,201</b> 43,975	<b>7,969</b>
<b>Publications</b>	<b>24,022</b> 27,291	<b>20,857</b> 24,765	<b>3,165</b> 2,526	<b>2,593</b>
<b>Bookstore</b>	<b>15,163</b> 14,150	<b>17,176</b> 17,970	<b>-2,013</b> -3,820	<b>20,549</b>
<b>TOTAL</b>			<b><del>86,882</del></b> 40,194	<b><del>-170,201</del></b>

Notes:

**Bold type** indicates actuals.

Regular type indicates budget.

Distribution: Jack Hicks, Wyman Smalley, Drake Pesce

COR.BUD.SUM.AUG

9/27/87CMC



DATE: December 30, 1987

TO: Jack Hicks  
Drake Pesce  
Wyman Smalley

FROM: Charlotte McGaughey

RE: CORPORATE BUDGET SUMMARY FOR NOVEMBER

The circled numbers on the attached summary refer to the following notes:

1. Expenses were higher in November than budgeted mostly due to IBC computer purchase being paid for in November, instead of December per original budget.
2. TSM income for the soon-to-be-imposed yearly and overdue tape fees has not been included yet. I will add this next month.
3. The Operations budget will be revised next month, also. There have been two recent layoffs. Both labor and sub/mtl costs have been lower than budgeted.
4. Spring semester tuition (not including fees) isn't in yet. I have budgeted for \$86,000. The gain is due to: a) fire & liability insurance paid for by the church, b) part-time teachers are all volunteer, c) there are only four full-time teachers this year, and d) John Koppang has kept expenses down.
5. The overhead rate that Publications charges to the other divisions will be reduced for the last half of fiscal year 87-88, thus the year-end gain estimate will decrease.
6. The Bookstore projected loss merits some attention. I am interested in meeting with Jack, Price, and anyone else who has input to discuss how to raise revenue, revise I.D. charges, etc.

NOTE: The total projected year-end loss of \$54,482 will start decreasing on future budget summaries as I include TSM income, remove terminated employees' salaries, etc. Also, offerings have been running higher than budgeted. I raised the estimate once, and am hesitant to do so again.

Current year-to-date gain/loss = + 35,917

Inc 1 ✓ for 22K, sale of Miehle + 20K, new computer - 30

**CORPORATE BUDGET SUMMARY**  
November 1987

	<u>Current mo.</u> <u>Gain/Loss</u>	<u>Projected YE</u> <u>Gain/Loss</u>
Church	① -30,430 61,804	-83,735
Intl Missions	-1,425 -1,225	-16,342
TSM	446 -1,840	4,613 (2)
Operations	6,236 3,235	19,128 (3)
Studio	1,838 380	-21,573
Bible College	-15,279 -18,855	41,948 (4)
Student Apts.	3,596 360	-25,789
Chr. School	-1,104 -5,025	9,378
Publications	5,237 5,280	24,264 (5)
Bookstore	-3,008 -3,265	-6,374 (6)
	-----	-----
<b>TOTAL</b>	<b>-33,893</b> <b>40,849</b>	<b>-54,482</b>

**Notes:**

**Bold type** = actuals, regular type = budgets, (current month column).

**Distribution:** Jack Hicks, Wyman Smalley, Drake Pesce

COR.BUD.SUM.NOV  
12/29/87CMC

**CORPORATE BUDGET SUMMARY**  
 Fiscal Year 1987-1988  
 Period Ending 12/31/87

	<u>Year-to-Date</u> <u>Gain/Loss</u>	<u>Projected EOY</u> <u>Gain/Loss</u>	<u>Notes</u>
Church	-42,069 -112,572	-34,745	1
International Missions	-8,463 -9,175	-15,038	
Tape & Sound Ministries	4,164 1,835	3,314	
Operations	1,089 13,810	13,949	2
Studio	-6,648 -9,310	-21,323	
Bible College	44,721 36,530	37,081	3
Student Apartments	-3,040 -4,555	-25,070	
Christian School	38,328 35,370	9,993	
Publications	17,100 22,360	20,255	
Bookstore	4,218 <u>-4,005</u>	-494 <u>          </u>	
<b>TOTAL</b>	<b>49,400</b> <b>-29,712</b>	<b>-12,078</b>	

**Notes:**

1. Offerings are still running higher than our revised estimate. If this continues, the year-end corporate gain/loss should be app. +15,000.
  2. I lowered the maintenance overhead rate, to reduce the year-end gain.
  3. The Bible College is doing well because this fall several of the teachers volunteered. Salaries were app. \$2K/month below the original budget. Also, the church paid for all fire & liability insurance this year, which helped out both Bible College and the Christian School.
- Bold type = actuals, regular type = budget estimates**

**Distribution:** Jack Hicks, Wyman Smalley, Drake Pesce  
 MJ/COR.BUD.SUM.DEC  
 1/20/88CMC

**CORPORATE BUDGET SUMMARY**  
 Fiscal Year 1987-1988  
 Period Ending 1/31/88

	<u>Year-to-Date Gain/Loss</u>	<u>Projected EOY Gain/Loss</u>	<u>Notes</u>
Church	-22,940 -102,058	-37,849 -95,152	1
International Missions	-9,748 -10,400	-15,248 -15,500	
Tape & Sound Ministries	4,749 -145	5,709 15	
Operations	9,735 4,435	29,235 13,970	2
Studio	-9,806 -11,290	-21,811 -22,115	
Bible College	121,669 101,095	49,156 38,175	3
Student Apartments	-3,615 -6,940	-19,527 -23,730	
Christian School	48,853 30,145	25,883 7,730	
Publications	16,522 17,470	21,332 23,625	2
Bookstore	865 <u>-5,910</u>	-920 <u>-8,715</u>	4
<b>TOTAL</b>	<b>156,284</b> <b>16,402</b>	<b>35,960</b> <b>-81,697</b>	

**Notes for Corporate Budget Summary:**

1. Offerings have dropped in the last four weeks (ave. = 41.4K/wk), although the running year-to-date average (45.5/wk) is still higher than our budget (44.0/wk).
2. Publications and Operations will not end up with much of a surplus. I will reduce the amounts they charge to other divisions in the next four months of the fiscal year.
3. The Bible College is doing very well! The spring tuition came in at \$10,000 higher than I budgeted. (I was too conservative.)
4. I am concerned about the Bookstore. It seems that they should be able to make a profit. They receive income from other divisions, as well as from sales of office supplies, books, tapes, etc. Does anyone have any ideas?
5. We have had some payroll cuts and payroll additions this year. Payroll cuts already included in budget: Wayne Snoey, Jim Wagner, Don Tuggle, Jerry Zwack, Barbara Barnett, Virginia McManus, Chris Anable, Sandy Anderson, Patty Coyle, Gary Gerrard, Marc Heriot, and Kari Mills. Any other terminations were offset by a replacement being hired or other comparable increase in costs. Payroll **additions** include: Music assistant (Sandy Willis) hired for six months; Youth Min. secretary hours increase; Security secretary hours increased twice; Youth Min. children counselor added temporarily; Barb Pfaff's new position added; assistant to the pastor added (Robin Davies); new part-time Audio-Video assistant for Ashley Young will be coming on soon; raises to Maurita Verburg, Loren Krenelka, Chris Mathews, and Lou Mensonides; Sunday School secretary hours increase (due to other S/S layoffs); reimbursement to Fred Rapp for Victoria ministry expenses; and the Counseling Center is hiring an additional full-time secretary this month.

**Bold type = actuals, regular type = budget estimates**

**Distribution:** Jack Hicks, Wyman Smalley, Drake Pesce  
MJ/COR.BUD.SUM.JAN  
2/25/88CMC

Fairfax New computer 45K  
extra maint  
No TSM inc. inc'd in original DBA  
liability ins obtained!  
Summer staff (2 in May, BC) not in original DBA.  
No security officer deleted  
DUB taxes amended for \$4 too (\*24)

CHURCH  
ACTUALS/ APPROVED BUDGET REPORT FOR FISCAL 1987

	87-01	87-02	87-03	87-04	87-05	87-06	87-07	87-08
	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN
	8%	17%	25%	33%	42%	50%	58%	67%
O P E R A T I N G   I N C O M E								
3110 OFFERINGS & TITHES	166754	170731	227231	195448	185530	237039	236073	188748
	166754	170731	227231	195448	185530	237039	236073	188748
	166750	170750	227200	195450	185530	237400	202000	196000
3110 RADIO & TV OFFERINGS*4463	135	60	60	60	90	60	60	60
	135	60	60	60	90	60	60	60
	75	75	75	75	75	75	75	75
3910 INTEREST/DIVDND\$ +3930*2211	33	1247	0	0	1294	0	47	1265
	33	1247	0	0	1294	0	47	1265
	0	1200	0	0	1200	0	0	1200
1520 REAL PROP SALES 1500'S*1000	0	0	0	0	0	23000	-3500	0
	0	0	0	0	0	23000	-3500	0
	0	0	0	0	0	22000	0	0
3750 LAKE WENATCHEE LODGE INCOME	264	244	230	140	334	204	170	375
	264	244	230	140	334	204	170	375
	250	250	250	250	250	250	250	250
3810 MISC INCOME+3135, 850, 91, 2, 4850	1547	122	37	-1543	25	56	3847	634
	1547	122	37	-1543	25	56	3847	634
	100	100	100	100	100	100	100	100
TOTAL INCOME	168733	172404	227558	194105	187273	260359	236697	191082
	168733	172404	227558	194105	187273	260359	236697	191082
	167175	172375	227625	195875	187155	259825	202425	197625

EXHIBIT 129 DATE \_\_\_\_\_  
WITNESS \_\_\_\_\_  
PATRICE STARKOVICH 682-1427

CHURCH  
 APPROVED BUDGET REPORT FOR FISCAL 1987

RUN DATE: 04-04-88

PAGE NO. 1

	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12	TOTAL	%
	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
%	33%	42%	50%	58%	67%	75%	83%	92%	100%		
31	195448	185530	237039	236073	188748	160087	0	0	0	1767641	
31	195448	185530	237039	236073	188748	160087	100000	80000	100000	2047641	86
00	195450	185530	237400	202000	196000	176000	176000	176000	220000	2329080	76
60	60	90	60	60	60	60	0	0	0	645	
60	60	90	60	60	60	60	75	75	75	870	74
75	75	75	75	75	75	75	75	75	75	900	72
0	0	1294	0	47	1265	0	0	0	0	3886	
0	0	1294	0	47	1265	0	0	1200	0	5086	76
0	0	1200	0	0	1200	0	0	1200	0	4800	81
0	0	0	23000	-3500	0	0	0	0	0	19500	
0	0	0	23000	-3500	0	0	0	0	0	19500	100
0	0	0	22000	0	0	0	0	0	0	22000	89
30	140	334	204	170	375	410	0	0	0	2371	
30	140	334	204	170	375	410	250	250	250	3121	76
50	250	250	250	250	250	250	250	250	250	3000	79
37	-1543	25	56	3847	634	61	0	0	0	4786	
37	-1543	25	56	3847	634	61	100	100	100	5086	94
100	100	100	100	100	100	100	100	100	100	1200	399
558	194105	187273	260359	236697	191082	160618	0	0	0	1798829	
558	194105	187273	260359	236697	191082	160618	100425	81625	100425	2081304	86
625	195875	187155	259825	202425	197625	176425	176425	177625	220425	2360980	76

CHURCH  
ACTUALS/ APPROVED BUDGET REPORT FOR FISCAL 1987

	87-01	87-02	87-03	87-04	87-05	87-06	87-07	87-08
	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN
	8%	17%	25%	33%	42%	50%	58%	67%
* * * E X P E N S E S * * *								
* * GENERAL OVERHEAD * *								
4106 CORP MANAGEMENT (410)	11526	11606	11917	12061	11981	11713	11526	11566
	11526	11606	11917	12061	11981	11713	11526	11566
	11820	11820	11820	11820	11820	11525	11525	11525
4465 SECA/FIT	5245	0	0	8011	0	-5	11961	0
	5245	0	0	8011	0	-5	11961	0
	5245	0	0	8010	0	0	0	10785
4470 EMPLOYER P/R I. I. TAX	0	1305	0	0	1283	0	0	1276
	0	1305	0	0	1283	0	0	1276
	0	1305	0	0	1285	0	0	1315
4450 LONG DISTANCE TELEPHONE	382	477	348	400	146	597	163	1286
	382	477	348	400	146	597	163	1286
	400	400	400	400	400	400	400	400
4460 ADVERTISING	118	143	128	118	118	118	118	118
	118	143	128	118	118	118	118	118
	120	145	130	120	120	120	120	120
4475 FIRE & LIABILITY INSURANCE	12164	0	0	-76	488	64243	-4425	0
	12164	0	0	-76	488	64243	-4425	0
	12165	0	0	0	410	0	65245	-5000
4490 LEGAL & PROFESSIONAL	287	1697	8750	23462	17176	16645	5123	2381
	287	1697	8750	23462	17176	16645	5123	2381
	290	1695	8750	23460	17175	16645	5000	5000
4440 POSTAGE/SHIPPING (+ID)	76	78	70	43	66	122	105	84
	76	78	70	43	66	122	105	84
	80	80	80	80	80	80	80	80
4245 SHPPNG/RCVNG LBR (ID)	510	510	510	510	510	510	510	510
	510	510	510	510	510	510	510	510
	510	510	510	510	510	510	510	510
4310 OFFICE SUPPLIES (+ID)	30	94	50	102	68	65	43	16
	30	94	50	102	68	65	43	16
	100	100	100	100	100	100	100	100
4290 GEN OH SUB & MTL	28	29	29	21	29	20	20	20
	28	29	29	21	29	20	20	20
	30	30	30	30	30	30	30	30
1510 FURNITURE & EQUIPMENT	1095	655	1697	402	7037	323	53	0
	1095	655	1697	402	7037	323	53	0
	775	775	775	775	775	775	1000	1000





CHURCH  
ACTUALS/ APPROVED BUDGET REPORT FOR FISCAL 1987

		87-01	87-02	87-03	87-04	87-05	87-06	87-07	87-08
		JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN
		8%	17%	25%	33%	42%	50%	58%	67%
4261	JANITORIAL (ID)	4650	4650	4650	4650	4650	3700	3700	3700
		4650	4650	4650	4650	4650	3700	3700	3700
		4650	4650	4650	4650	4650	3700	3700	3700
4262	MAINTENANCE (ID)	20827	20236	19088	25001	22086	18604	11668	20999
		20827	20236	19088	25001	22086	18604	11668	20999
		21500	21500	21500	21500	21500	18455	23410	20145
4265	SECURITY (ID)	17298	16492	17894	17585	20257	20500	20500	22500
		17298	16492	17894	17585	20257	20500	20500	22500
		17900	17900	17900	17900	17900	20500	20500	20500
4270	OPS OFF SVCS (ID)	10945	8060	8060	8060	8060	8060	8060	8060
		10945	8060	8060	8060	8060	8060	8060	8060
		10945	8060	8060	8060	8060	8060	8060	8060
4250	TAPE LIBRARY (ID)	8492	7569	7382	6541	9442	5050	5050	4000
		8492	7569	7382	6541	9442	5050	5050	4000
		8490	7570	7380	6540	9440	6550	5050	5050
4350	PRINTING (ID) +3810*2701	12337	12018	12760	12588	16070	17395	6463	9829
		12337	12018	12760	12588	16070	17395	6463	9829
		13860	13860	13860	13860	13860	13860	10220	10220
4370	BOOK INVESTMENT +3670*4590-3	6326	6722	3625	4607	3847	3625	3712	2869
		6326	6722	3625	4607	3847	3625	3712	2869
		4850	4850	4850	4850	4850	4850	2985	2985
4390	COPY MACHINES (ID)	418	692	637	689	644	575	1255	452
		418	692	637	689	644	575	1255	452
		600	600	600	600	600	600	600	600
2211	NC #3 LOAN*3000 +4833*2211	16986	16986	16986	16986	16986	16986	16986	16986
		16986	16986	16986	16986	16986	16986	16986	16986
		16986	16986	16986	16986	16986	16986	16986	16986
2211	JORGENSEN (PNGBN) GRANT*7000	2000	2000	2000	2000	2000	2000	2000	2000
		2000	2000	2000	2000	2000	2000	2000	2000
		2000	2000	2000	2000	2000	2000	2000	2000
4264	PARSNGE EXP(+ID) +1321, 4263, 2211	1617	1287	3265	3312	2708	1083	593	978
		1617	1287	3265	3312	2708	1083	593	978
		2350	2350	2350	2350	2350	860	860	860
4750	WENATCHEE LODGE EXP *0001-5	350	0	257	306	178	45	175	0
		350	0	257	306	178	45	175	0
		220	220	220	220	220	70	70	0
4810	MISC EXPENSES **1099, 4892, 421	102	29	99	592	356	37	37	91
		102	29	99	592	356	37	37	91
		150	150	150	150	150	150	150	150
	SUBTOTAL	133809	113334	120200	147970	146186	192012	105396	109721
	GENERAL OVERHEAD	133809	113335	120202	147971	146186	192011	105396	109721
		136036	117556	123101	144971	135271	126826	178601	117161

CHURCH  
APPROVED BUDGET REPORT FOR FISCAL 1987

RUN DATE 04-04-88

PAGE NO. 3

	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12	TOTAL	%
	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
	33%	42%	50%	58%	67%	75%	83%	92%	100%		
503	4650	4650	3700	3700	3700	3700	0	0	0	38030	
503	4650	4650	3700	3700	3700	3700	3700	3700	3700	49150	77
503	4650	4650	3700	3700	3700	3700	3700	3700	3700	49150	77
508	25001	22086	18604	11668	20999	19800	0	0	0	178309	
508	25001	22086	18604	11668	20999	19800	27600	26000	24750	256659	69
500	21500	21500	18455	23410	20145	18030	27830	29635	23160	268165	66
594	17585	20257	20500	20500	22500	22500	0	0	0	175526	
594	17585	20257	20500	20500	22500	22500	22500	22500	22500	243026	72
590	17900	17900	20500	20500	20500	20500	20500	20500	20500	233000	75
606	8060	8060	8060	8060	8060	8060	0	0	0	75425	
606	8060	8060	8060	8060	8060	8060	8060	8060	8060	99605	76
606	8060	8060	8060	8060	8060	8060	8060	8060	8060	99605	76
632	6541	9442	5050	5050	4000	4000	0	0	0	57526	
632	6541	9442	5050	5050	4000	4000	5400	5400	5400	73726	78
630	6540	9440	6550	5050	5050	5050	5050	5050	5050	76270	75
670	12588	16070	17395	6463	9829	9558	0	0	0	109018	
670	12588	16070	17395	6463	9829	9558	11810	11810	11810	144448	75
660	13860	13860	13860	10220	10220	11835	12400	11310	12400	151545	72
625	4607	3847	3625	3712	2869	948	0	0	0	36281	
625	4607	3847	3625	3712	2869	948	2250	2250	2250	43031	84
650	4850	4850	4850	2985	2985	2250	2250	2250	2250	44070	82
637	689	644	575	1255	452	499	0	0	0	5861	
637	689	644	575	1255	452	499	700	700	700	7961	74
600	600	600	600	600	600	600	600	600	600	7200	81
696	16986	16986	16986	16986	16986	16986	0	0	0	152874	
696	16986	16986	16986	16986	16986	16986	16986	16986	16986	203832	75
696	16986	16986	16986	16986	16986	16986	16986	16986	16986	203832	75
2000	2000	2000	2000	2000	2000	2000	0	0	0	18000	
2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	75
2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	75
2265	3312	2708	1083	593	978	904	0	0	0	15747	
2265	3312	2708	1083	593	978	904	900	1100	1100	18847	84
2350	2350	2350	860	860	860	860	900	1100	1100	18290	86
257	306	178	45	175	0	79	0	0	0	1390	
257	306	178	45	175	0	79	710	70	70	2240	62
220	220	220	70	70	40	470	710	70	70	2600	53
99	592	356	37	37	91	-17	0	0	0	1326	
99	592	356	37	37	91	-17	150	150	150	1776	75
150	150	150	150	150	150	150	150	150	150	1800	74
200	147970	146186	192012	105396	109720	102861	0	0	0	1171488	
202	147971	146186	192011	105396	109721	102862	149256	131471	111836	1564056	75
3101	144971	135271	126826	178601	117161	109621	119901	129581	123811	1562437	75

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	87-01	87-02	87-03	87-04	87-05	87-06	87-07	87-08
	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN
	8%	17%	25%	33%	42%	50%	58%	67%
* * UTILITIES * *								
4211 BASIC TELEPHONE	2950	2258	2599	2523	2543	2552	2541	2140
**0001	2950	2258	2599	2523	2543	2552	2541	2140
	2975	2975	2975	2975	2975	2975	3270	3270
4212 ELECTRICITY	4600	3831	3957	3933	5553	4575	4938	4606
**0001	4600	3831	3957	3933	5553	4575	4938	4606
	5150	4550	3900	4350	5150	5400	5700	5800
4213 GARBAGE	685	696	685	685	726	685	685	685
**0001	685	696	685	685	726	685	685	685
	725	725	725	725	725	725	725	725
4214 HEAT	731	511	284	208	224	905	1162	1959
**0001	731	511	284	208	224	905	1162	1959
	1250	500	175	175	275	775	1900	2800
4215 SEWER	0	1729	0	1729	0	1729	0	1729
**0001	0	1729	0	1729	0	1729	0	1729
	0	1730	0	1730	0	1730	0	1730
4216 WATER	917	0	1164	-75	1379	0	812	0
**0001	917	0	1164	-75	1379	0	812	0
	920	0	1165	0	1375	0	950	0
SUBTOTAL UTILITIES	9884	9025	8690	9003	10425	10447	10138	11120
	9883	9025	8689	9003	10425	10446	10138	11119
	11020	10480	8940	9955	10500	11605	12545	14325
3672 LESS ID UTILITIES REIMBURSEMENT	6210	6210	6210	6210	6210	6555	5865	6210
	6210	6210	6210	6210	6210	6555	5865	6210
	6210	6210	6210	6210	6210	6210	6210	6210
TOTAL GENERAL OVERHEAD	137483	116149	122680	150764	150401	195904	109669	114630
	137482	116150	122681	150764	150401	195902	109669	114630
	140846	121826	125831	148716	139561	132221	184936	125276

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87-03	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12	TOTAL	
AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
5%	33%	42%	50%	58%	67%	75%	83%	92%	100%		
2599	2523	2543	2552	2541	2140	2230	0	0	0	22336	
2599	2523	2543	2552	2541	2140	2230	2600	2600	2600	30136	74
2975	2975	2975	2975	3270	3270	3270	3270	3270	3270	37470	60
2957	3933	5553	4575	4938	4606	1931	0	0	0	37924	
2957	3933	5553	4575	4938	4606	1931	5800	5500	5300	54524	70
2900	4350	5150	5400	5700	5800	5800	5800	5500	5300	62400	61
685	685	726	685	685	685	685	0	0	0	6217	
685	685	726	685	685	685	685	725	725	725	8392	74
725	725	725	725	725	725	725	725	725	725	8700	71
284	208	224	905	1162	1959	3456	0	0	0	9440	
284	208	224	905	1162	1959	3456	2800	2300	2200	16740	56
175	175	275	775	1900	2800	2800	2800	2300	2200	17950	53
0	1729	0	1729	0	1729	0	0	0	0	6916	
0	1729	0	1729	0	1729	0	1730	0	1730	10376	67
0	1730	0	1730	0	1730	0	1730	0	1730	10380	67
1164	-75	1379	0	812	0	635	0	0	0	4832	
1164	-75	1379	0	812	0	635	0	900	0	5732	84
1165	0	1375	0	950	0	900	0	900	0	6210	78
8690	9003	10425	10447	10138	11120	8937	0	0	0	87669	
8689	9003	10425	10446	10138	11119	8937	13655	12025	12555	125900	70
8940	9955	10500	11605	12545	14325	13495	14325	12695	13225	143110	61
6210	6210	6210	6555	5865	6210	6210	0	0	0	55890	
6210	6210	6210	6555	5865	6210	6210	6210	6210	6210	74520	75
6210	6210	6210	6210	6210	6210	6210	6210	6210	6210	74520	75
22680	150764	150401	195904	109669	114630	105587	0	0	0	1203267	
22681	150764	150401	195902	109669	114630	105589	156701	137286	118161	1615436	74
25831	148716	139561	132221	184936	125276	116906	128016	136066	130826	1631027	74

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	87-01	87-02	87-03	87-04	87-05	87-06	87-07	87-08
	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN
	8%	17%	25%	33%	42%	50%	58%	67%
* * ACCOUNTING & COMPUTER SERVICES * *								
4150 ACCT/CMP PAYROLL	11443	11443	11443	11443	12744	9084	9084	9085
+4145(415, 45)	11443	11443	11443	11443	12744	9084	9084	9085
	11445	11445	11445	11445	11445	10095	9085	9085
3671 LESS ID	6840	6840	6840	6840	5910	5910	5910	5910
REIMBURSEMENT	6840	6840	6840	6840	5910	5910	5910	5910
	6840	6840	6840	6840	5910	5910	5910	5910
NET CH ACCT/ CMP PAYROLL	4603	4603	4603	4603	6834	3174	3174	3175
	4603	4603	4603	4603	6834	3174	3174	3175
	4605	4605	4605	4605	5535	4185	3175	3175
4224 COMPUTER SVCS SUPPLIES(+ID)	256	152	153	0	0	81	1944	50
	256	152	153	0	0	81	1944	50
	100	100	140	100	900	100	100	1400
4221 ACCOUNTING SUPPLIES(+ID)	84	29	34	52	9	115	348	149
	84	29	34	52	9	115	348	149
	250	100	100	100	100	100	100	100
4223 COMP PRG & MAINT+4222*1K, 2K	9	633	171	9	9	45	690	6545
	9	633	171	9	9	45	690	6545
	10	635	170	10	100	100	100	100
4225 COMPUTER LEASE/ PURCHASE +1545	0	0	0	0	0	39141	0	0
	0	0	0	0	0	39141	0	0
	0	0	0	0	0	10000	35000	0
3673 LESS ID	2380	2380	2380	2380	345	0	690	345
REIMBURSEMENT	2380	2380	2380	2380	345	0	690	345
	2380	2380	2380	2380	345	345	345	345
NET CH COMPUTER EXPENSE	-2031	-1566	-2022	-2319	-327	39381	2292	6399
	-2031	-1566	-2022	-2319	-327	39382	2292	6399
	-2020	-1545	-1970	-2170	755	9955	34955	1255
TOTAL ACCTG & COMPUTER SVCS	2572	3038	2582	2284	6507	42556	5467	9574
	2572	3037	2581	2284	6507	42556	5466	9574
	2585	3060	2635	2435	6290	14140	38130	4430

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87-03	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12	TOTAL	%
03	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
6%	33%	42%	50%	58%	67%	75%	83%	92%	100%		
443	11443	12744	9084	9084	9085	9297	0	0	0	95066	
443	11443	12744	9084	9084	9085	9297	9085	9085	9085	122321	78
445	11445	11445	10095	9085	9085	9085	9085	9085	9085	121830	78
840	6840	5910	5910	5910	5910	5910	0	0	0	56910	
840	6840	5910	5910	5910	5910	5910	5910	5910	5910	74640	76
840	6840	5910	5910	5910	5910	5910	5910	5910	5910	74640	76
603	4603	6834	3174	3174	3175	3387	0	0	0	38156	
603	4603	6834	3174	3174	3175	3387	3175	3175	3175	47681	80
605	4605	5535	4185	3175	3175	3175	3175	3175	3175	47190	81
153	0	0	81	1944	50	5	0	0	0	2641	
153	0	0	81	1944	50	5	100	100	100	2941	90
140	100	900	100	100	1400	140	100	100	100	3380	78
34	52	9	115	348	149	144	0	0	0	964	
34	52	9	115	348	149	144	100	100	100	1264	76
100	100	100	100	100	100	100	100	100	100	1350	71
171	9	9	45	690	6545	421	0	0	0	8532	
171	9	9	45	690	6545	421	100	100	100	8832	97
170	10	100	100	100	100	100	100	100	100	1625	525
0	0	0	39141	0	0	0	0	0	0	39141	
0	0	0	39141	0	0	0	0	0	0	39141	100
0	0	0	10000	35000	0	0	0	0	0	45000	87
2380	2380	345	0	690	345	345	0	0	0	11245	
2380	2380	345	0	690	345	345	345	345	345	12280	92
2380	2380	345	345	345	345	345	345	345	345	12280	92
2022	-2319	-327	39381	2292	6399	225	0	0	0	40032	
2022	-2319	-327	39382	2292	6399	225	-45	-45	-45	39898	100
1970	-2170	755	9955	34955	1255	-5	-45	-45	-45	39075	102
2582	2284	6507	42556	5467	9574	3612	0	0	0	78192	
2581	2284	6507	42556	5466	9574	3612	3130	3130	3130	87522	80
2635	2435	6290	14140	38130	4430	3170	3130	3130	3130	86200	81

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	87-01	87-02	87-03	87-04	87-05	87-06	87-07	87-08	
	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	
	8%	17%	25%	33%	42%	50%	58%	67%	
* * COUNSELING & MINISTRIES * *									
4161	COUNS CTR STAFF (461,451)	34274	34685	33096	29937	29581	27310	24554	23377
		34274	34685	33096	29937	29581	27310	24554	23377
		34275	34655	33095	29940	29580	24600	25000	25000
4313	COUNSELING	121	279	104	47	74	45	161	25
	SUPPLIES(+ID)	121	279	104	47	74	45	161	25
		150	150	150	150	150	150	150	150
4803	COUNSELING MISC EXPENSE	43	5	0	7	57	9	1529	-1307
		43	5	0	7	57	9	1529	-1307
		50	50	50	50	50	50	50	50
4230	COUNSELOR EDUCATION	43	5	0	7	57	9	1529	-1307
		0	0	0	0	0	0	0	0
		50	50	50	50	50	50	50	50
	SUBTOTAL	34438	34969	33200	29991	29712	27364	26244	22095
	COUNS CTR	34438	34969	33200	29991	29712	27364	26244	22095
		34475	34885	33295	30140	29780	24800	25200	25200
4191	SUNDAY SCHOOL STAFF (491)	5456	5456	5456	5456	4862	4269	4269	4779
		5456	5456	5456	5456	4862	4269	4269	4779
		5460	5460	5460	5460	4870	4270	4270	4270
4320	SS OFFICE & AV SUPPLIES (+ID)	649	114	510	277	62	409	135	255
		649	114	510	277	62	409	135	255
		300	300	300	300	300	300	300	300
4330	SS EDUCATIONAL MATERIALS (+ID)	28	277	266	647	169	76	185	224
		28	277	266	647	169	76	185	224
		275	275	275	275	275	275	275	275
4801	SS MISC EXPENSE	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
		10	10	10	10	10	10	10	10
4411	SS-SPONSORED FLLWSHPS/RTRTS	0	213	0	0	0	0	0	0
		0	213	0	0	0	0	0	0
		250	25	25	25	25	25	25	25
	SUBTOTAL	6133	6060	6232	6379	5093	4754	4589	526
	SUNDAY SCHOOL	6133	6060	6232	6380	5093	4754	4589	526
		6295	6070	6070	6070	5480	4880	4880	488



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87-03	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12		
AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
25%	33%	42%	50%	58%	67%	75%	83%	92%			
3096	29937	29581	27310	24554	23377	23729	0	0			
3096	29937	29581	27310	24554	23377	23729	25000	25000			
3095	29940	29580	24600	25000	25000	25000	25000	25000	27800		
104	47	74	45	161	25	166	0	0	0		
104	47	74	45	161	25	166	150	150	150		
150	150	150	150	150	150	150	150	150	150		
0	7	57	9	1529	-1307	848	0	0	0	1191	
0	7	57	9	1529	-1307	848	50	50	50	1341	
50	50	50	50	50	50	50	50	50	50	600	
0	7	57	9	1529	-1307	848	0	0	0	1191	
0	0	0	0	0	0	0	1620	0	0	1620	74
50	50	50	50	50	50	50	50	50	50	600	157
33200	29991	29712	27364	26244	22096	24744	0	0	0	262758	
33200	29991	29712	27364	26244	22095	24743	26820	25200	28050	342826	77
33295	30140	29780	24800	25200	25200	25200	25200	25200	28050	341497	
5456	5456	4862	4269	4269	4779	4053	0	0	0	44056	
5456	5456	4862	4269	4269	4779	4053	4270	4270	4270	56866	77
5460	5460	4870	4270	4270	4270	4270	4270	4270	4270	56600	78
510	277	62	409	135	255	193	0	0	0	2604	
510	277	62	409	135	255	193	300	300	300	3504	74
300	300	300	300	300	300	300	300	300	300	3600	72
266	647	169	76	185	229	82	0	0	0	1959	
266	647	169	76	185	229	82	275	275	275	2784	70
275	275	275	275	275	275	275	275	275	275	3300	59
0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	10	10	10	30	0
10	10	10	10	10	10	10	10	10	10	120	0
0	0	0	0	0	0	0	0	0	0	213	
0	0	0	0	0	0	0	25	25	25	288	74
25	25	25	25	25	25	25	25	25	25	525	41
6232	6379	5093	4754	4589	5262	4327	0	0	0	48829	
6232	6380	5093	4754	4589	5263	4328	4880	4880	4880	63472	77
6070	6070	5480	4880	4880	4880	4880	4880	4880	4880	64145	76

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	87-01	87-02	87-03	87-04	87-05	87-06	87-07	87-08
	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN
	8%	17%	25%	33%	42%	50%	58%	67%
4192 YOUTH MIN/YCC STAFF (492,3)	11082	11423	8082	5891	6100	6391	6160	6026
	11082	11423	8082	5891	6100	6391	6160	6026
	11085	11420	8085	5890	6100	6670	6670	6670
4314 YM SUPPLIES (+ID)	248	198	89	55	74	38	224	135
	248	198	89	55	74	38	224	135
	135	135	135	135	135	135	135	135
4804 YM MISC EXPENSE	11	44	0	0	51	0	0	0
	11	44	0	0	51	0	0	0
	25	50	25	25	25	25	25	25
4414 YM-SPONSORED FLLWSHPS/RTRTS	-779	-3367	-2290	5305	-199	252	-285	135
	-779	-3367	-2290	5305	-199	252	-285	135
	50	50	50	50	50	50	50	50
SUBTOTAL YOUTH MINISTRIES	10562	8299	5881	11252	6026	6671	6098	6100
	10562	8298	5881	11251	6026	6671	6099	6100
	11295	11655	8295	6100	6310	6880	6880	6880
4198 MINISTRIES STAFF (498)	10890	5390	8140	5690	5690	5690	5690	5690
	10890	5390	8140	5690	5690	5690	5690	5690
	8140	8140	8140	5690	5690	5690	5690	5690
4316 MINISTRIES SUPPLIES(+ID)	19	40	39	24	16	24	26	35
	19	40	39	24	16	24	26	35
	35	35	35	35	35	35	35	35
4806 MINISTRIES MISC EXPENSE	14	50	0	0	0	24	15	10
	14	50	0	0	0	24	15	10
	10	10	10	10	10	10	10	10
SUBTOTAL MINISTRIES	10923	5479	8179	5714	5706	5738	5730	5735
	10923	5480	8179	5714	5706	5738	5731	5735
	8185	8185	8185	5735	5735	5735	5735	5735
4153 MUSIC STAFF (453)	4437	4437	4812	5187	5187	5187	5187	5190
	4437	4437	4812	5187	5187	5187	5187	5190
	4440	4440	4810	5190	5190	5190	5190	5190
TOTAL COUNSELING & MINISTRIES	66493	59243	58304	58522	51724	49713	47848	44690
	66493	59244	58304	58523	51724	49714	47850	44690
	64690	65235	60655	53235	52495	47485	47885	47885

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	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12	TOTAL	%
	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
	33%	42%	50%	58%	67%	75%	83%	92%	100%		
82	5891	6100	6381	6160	6021	7327	0	0	0	68467	
82	5891	6100	6381	6160	6021	7327	6400	6400	6400	87667	78
85	5890	6100	6670	6670	6670	6670	6670	6670	6670	89270	77
89	55	74	38	224	16	30	0	0	0	972	
89	55	74	38	224	16	30	135	135	135	1377	71
135	135	135	135	135	135	135	135	135	135	1620	6
0	0	51	0	0	0	0	0	0	0	106	
0	0	51	0	0	0	0	25	25	25	181	59
25	25	25	25	25	25	25	25	25	25	325	33
290	5305	-199	252	-285	150	-1460	0	0	0	-2673	
290	5305	-199	252	-285	150	-1460	50	50	50	-2523	106
50	50	50	50	50	50	50	50	50	50	600-48	
81	11252	6026	6671	6098	6188	5897	0	0	0	66874	
81	11251	6026	6671	6099	6187	5897	6610	6610	6610	86702	
295	6100	6310	6880	6880	6880	6880	6880	6880	6880	91815	
140	5690	5690	5690	5690	5690	5690	0	0	0	58560	
140	5690	5690	5690	5690	5690	5690	5690	5690	8140	78080	7
140	5690	5690	5690	5690	5690	5690	5690	5690	8140	78080	75
39	24	16	24	26	14	5	0	0	0	207	
39	24	16	24	26	14	5	35	35	35	312	66
35	35	35	35	35	35	35	35	35	35	420	49
0	0	0	24	15	0	0	0	0	0	103	
0	0	0	24	15	0	0	10	10	10	133	77
10	10	10	10	10	10	10	10	10	10	120	86
179	5714	5706	5738	5730	5704	5695	0	0	0	58868	
179	5714	5706	5738	5731	5704	5695	5735	5735	8185	78525	75
185	5735	5735	5735	5735	5735	5735	5735	5735	8185	78620	75
4812	5187	5187	5187	5187	5360	4438	0	0	0	44232	
4812	5187	5187	5187	5187	5360	4438	4440	4440	4440	57552	77
4810	5190	5190	5190	5190	5190	5190	5190	5190	5190	60400	73
8304	58522	51724	49713	47848	44610	45101	0	0	0	481558	
8304	58523	51724	49714	47850	44609	45101	48485	46865	52165	629077	77
0655	53235	52495	47485	47885	47885	47885	47885	47885	53185	636405	74

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		87-01	87-02	87-03	87-04	87-05	87-06	87-07	87-08
		JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN
		8%	17%	25%	33%	42%	50%	58%	67%
* * BENEVOLENCE, OUTREACH, & SUPPORT * *									
4400	BENEVOLENCE+1K, 2K +4853*4400	0	573	878	44	0	0	0	0
		0	573	878	44	0	0	0	0
		250	250	250	250	250	250	500	500
4400	COMP TAPES/TUITN (FID)*3510, 3311	33	148	96	0	0	0	137	0
		33	148	96	0	0	0	137	0
		70	70	70	70	70	70	70	70
4853	PAYROLL BONUS (353)	4	176	368	6978	257	655	25	0
		4	176	368	6978	257	655	25	0
		400	400	400	6200	400	655	8000	750
4406	FOOD BANK EXPENSE	0	332	370	500	0	127	0	353
		0	332	370	500	0	127	0	353
		300	300	300	300	300	300	300	300
4416	ELDERS RETREATS +3126	1489	-330	479	1468	180	5	160	-117
		1489	-330	479	1468	180	5	160	-117
		1200	0	500	1450	200	0	500	0
4165	OUTREACH STAFF (465)	0	5500	1671	2750	2226	1830	2750	2750
		0	5500	1671	2750	2226	1830	2750	2750
		2750	2750	2750	2750	2750	2750	2750	2750
4420	OUTREACH EXPENSE	149	333	6	250	0	0	130	151
		149	333	6	250	0	0	130	151
		150	150	150	150	150	150	150	150
1459	SUBSIDY TO STUDIO	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
1439	SUBSIDY TO CHRISTIAN SCHOOL	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
4539	TUITION ASSIST TO CHR SCH*3330	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
	TOTAL BENEVOLNCE, OUTRCH & SUPPRT	1674	6732	3868	11990	2664	2616	3202	3136
		1675	6732	3868	11990	2663	2617	3202	3137
		5120	3920	4420	11170	4120	4175	12270	4520

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87-03	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12	TOTAL	
JUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
5%	33%	42%	50%	58%	67%	75%	83%	92%	100%		
878	44	0	0	0	0	0	0	0	0	1495	
878	44	0	0	0	0	0	500	500	500	2995	
250	250	250	250	500	500	500	500	500	500	4500	
96	0	0	0	137	0	80	0	0	0	494	
96	0	0	0	137	0	80	70	70	70	704	
70	70	70	70	70	70	70	70	70	70	840	
368	6978	257	655	25	0	260	0	0	0	8723	
368	6978	257	655	25	0	260	10250	400	1000	20373	40
400	6200	400	655	8000	750	400	400	400	1000	19405	45
370	500	0	127	0	353	695	0	0	0	2377	
370	500	0	127	0	353	695	300	300	300	3277	70
300	300	300	300	300	300	300	300	300	300	3600	
479	1468	180	5	160	-117	133	0	0	0	3467	
479	1468	180	5	160	-117	133	500	0	0	3967	
500	1450	200	0	500	0	0	500	0	0	4350	
671	2750	2226	1870	2750	2750	2750	0	0	0	2750	
671	2750	2226	1870	2750	2750	2750	2750	2750	2750		
2750	2750	2750	2750	2750	2750	2750	2750	2750	2750		
6	250	0	0	130	151	492	0	0	0		
6	250	0	0	130	151	492	400	400	400		
150	150	150	150	150	150	150	150	150	150		
0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0		
3868	11990	2664	2616	3202	3136	4410	0	0	0	40292	
3868	11990	2663	2617	3202	3137	4410	14770	4420	5020	64504	62
4420	11170	4120	4175	12270	4520	4170	4670	4170	4770	67495	

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	87-01 JUN 8%	87-02 JULY 17%	87-03 AUG 25%	87-04 SEPT 33%	87-05 OCT 42%	87-06 NOV 50%	87-07 DEC 58%	87-08 JAN 67%
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\* \* DEACON BOARD APPROVED PROJECTS \* \*

1510	DBA ASSET	0	0	0	0	0	0	0	
	PURCHASES*4710	0	0	0	0	0	0	0	
4710	OPS DBA PROJECTS	12084	8181	203	565	-4971	0	487	
	(ID)	12084	8181	203	565	-4971	0	487	
		12085	8180	200	565	1600	0	2310	500
	TOTAL DBA	12084	8181	203	565	-4971	0	487	
	PROJECTS	12084	8181	203	565	-4971	0	487	
		12085	8180	200	565	1600	0	2310	500

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87-03	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12	TOTAL
AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	
25%	33%	42%	50%	58%	67%	75%	83%	92%	100%	
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	77
203	565	-4971	0	487	3	532	0	0	0	17084
203	565	-4971	0	487	3	532	0	0	0	17084
200	565	1600	0	2310	5000	5000	0	0	0	34940
203	565	-4971	0	487	3	532	0	0	0	17084
203	565	-4971	0	487	3	532	0	0	0	17084
200	565	1600	0	2310	5000	5000	0	0	0	34940

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	87-01	87-02	87-03	87-04	87-05	87-06	87-07	87-08
	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN
	8%	17%	25%	33%	42%	50%	58%	67%

\*\*\*\*\* S U M M A R Y \*\*\*\*\*

\*\*\*\*\* INCOME \*\*\*\*\*

OFFERINGS

166889	170791	227291	195508	185620	237099	236133	188808
166889	170791	227291	195508	185620	237099	236133	188808
166825	170825	227275	195525	185605	237475	202075	196075

OTHER INCOME

1844	1613	267	-1403	1653	23260	564	2274
1844	1613	267	-1403	1653	23260	564	2274
350	1550	350	350	1550	22350	350	1550

TOTAL INCOME

168733	172404	227558	194105	187273	260359	236697	191082
168733	172404	227558	194105	187273	260359	236697	191082
167175	172375	227625	195875	187155	259825	202425	197625

\*\*\*\*\* EXPENSES \*\*\*\*\*

GENERAL OVERHEAD

137483	116149	122680	150764	150401	195904	109669	114630
137482	116150	122681	150764	150401	195902	109669	114630
140846	121826	125831	148716	139561	132221	184936	125276

ACCTS & COMPUTER SERVICES

2572	3038	2582	2284	6507	42556	5467	9574
2572	3037	2581	2284	6507	42556	5466	9574
2585	3060	2635	2435	6290	14140	38130	4430

COUNSELING & MINISTRIES

66493	59243	58304	58522	51724	49713	47848	44610
66493	59244	58304	58523	51724	49714	47850	44609
64690	65235	60655	53235	52495	47485	47885	47885

BENEVOLENCE/ OUTRCH/SUPPORT

1674	6732	3868	11990	2664	2616	3202	3138
1675	6732	3868	11990	2663	2617	3202	3137
5120	3920	4420	11170	4120	4175	12270	4520

DEACON BOARD PROJECTS

12084	8181	203	565	-4971	0	487	3
12084	8181	203	565	-4971	0	487	3
12085	8180	200	565	1600	0	2310	5000

TOTAL EXPENSES

220307	193343	187637	224125	206324	290789	166673	171953
220306	193344	187637	224126	206324	290789	166674	171953
225326	202221	193741	216121	204066	198021	285531	187111

G A I N O R L O S S (-)

-51574	-20939	39921	-30020	-19051	-30430	70024	19129
-51573	-20940	39921	-30021	-19051	-30430	70023	19129
-58151	-29846	33884	-20246	-16911	61804	-83106	10514



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87-03	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12	TOTAL	%
UG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
5%	33%	42%	50%	58%	67%	75%	83%	92%	100%		
291	195508	185620	237099	236133	188808	160147					
291	195508	185620	237099	236133	188808	160147	0	0	0	1768286	
275	195525	185605	237475	202075	196075	176075	100075	80075	100075	2048511	86
267	-1403	1653	23260	564	2274	471	0	0	0	30543	
267	-1403	1653	23260	564	2274	471	0	0	0	32793	93
350	350	1550	22350	350	1550	350	350	1550	350	31000	99
558	194105	187273	260359	236697	191082	160618	0	0	0	1798829	
558	194105	187273	260359	236697	191082	160618	0	0	0	2081304	86
625	195875	187155	259825	202425	197625	176425	100425	81625	100425	2360980	76
625	195875	187155	259825	202425	197625	176425	176425	177625	220425		
680	150764	150401	195904	109669	114630	105587	0	0	0	1203267	
681	150764	150401	195902	109669	114630	105587	0	0	0	1615436	74
683	148716	139561	132221	184936	125276	116906	156701	137286	118181	1631027	74
2582	2284	6507	42556	5467	9574	3612	0	0	0	78192	
2581	2284	6507	42556	5466	9574	3612	0	0	0	87579	89
2635	2435	6290	14140	38130	4430	3170	3130	3130	3130	86265	91
304	58522	51724	49713	47848	44610	45101	0	0	0	481556	
304	58523	51724	49714	47850	44609	45101	48485	46865	52165	629077	77
655	53235	52495	47485	47885	47885	47885	47885	47885	53185	636405	76
6868	11990	2664	2616	3202	3136	4410	0	0	0	40292	
6868	11990	2663	2617	3202	3137	4410	0	0	0	64504	62
4420	11170	4120	4175	12270	4520	4170	14770	4420	5020	67495	60
203	565	-4971	0	487	3	532	0	0	0	17084	
203	565	-4971	0	487	3	532	0	0	0	17084	100
200	565	1600	0	2310	5000	5000	0	0	0	34940	49
7637	224125	206324	290789	166673	171953	159243	0	0	0	1820394	
7637	224126	206324	290789	166674	171953	159244	223086	191701	178496	2413680	75
3741	216121	204066	198021	285531	187111	177131	183701	191251	191911	2456132	74
9921	-30020	-19051	-30430	70024	19129	1376	0	0	0	-21564	
9921	-30021	-19051	-30430	70023	19129	1374	0	0	0	-332376	6
3884	-20246	-16911	61804	-83106	10514	-706	-122661	-110076	-78071	-95152	23
							-7276	-13626	28514		

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	87-01 JUN 8%	87-02 JULY 17%	87-03 AUG 25%	87-04 SEPT 33%	87-05 OCT 42%	87-06 NOV 50%	87-07 DEC 58%	87-08 JAN 67%
2135 MED/DENTAL INS ON HAND	-1652	-2133	-2253	-1851	925	-185	-91	-96
	-1652	-2133	-2253	-1851	925	-185	-91	-96
	0	0	0	0	0	0	0	0
2130 WA STATE IND INS ON HAND	2993	779	1624	2681	1054	2073	2957	998
	2993	779	1624	2681	1054	2073	2957	998
	0	0	0	0	0	0	0	0
2416 WASHINGTON USE TAX BAL	72	9	24	33	8	4691	426	96
	72	9	24	33	8	4691	426	96
	0	0	0	0	0	0	0	0
2770 SATELLITE BAL +2734, 71, 6, 7'S	1062	1302	1028	728	728	488	488	488
	1062	1302	1028	728	728	488	488	488
	0	0	0	0	0	0	0	0
2211 SEC DEBT RET BAL *1130, 4, 5, 3010	-499558	-499558	-564558	-564558	-564558	-564558	-504558	-564558
	-499558	-499558	-564558	-564558	-564558	-564558	-504558	-564558
	0	0	0	0	0	0	0	0
2701 INTERNATIONAL MISSIONS	27247	25992	23953	22621	21031	19606	19435	18150
	27247	25992	23953	22621	21031	19606	19435	18150
	0	0	0	0	0	0	0	0
2510 OTHER SPECIAL OFFERINGS	3224	3174	3124	3074	3024	2974	2924	2924
	3224	3174	3124	3074	3024	2974	2924	2924
	0	0	0	0	0	0	0	0
2310 RETREAT BAL +ACTIVITIES	7166	7984	5644	6926	9480	8903	6534	6342
	7166	7984	5644	6926	9480	8903	6534	6342
	0	0	0	0	0	0	0	0
SUBTOTAL NON-OPERATING	-467703	-459315	-518511	-524168	-508775	-494826	-487565	-537778
	-467704	-459314	-518511	-524168	-508775	-494826	-487567	-537772
	0	0	0	0	0	0	0	0
WORKING BANK BALANCE	-85440	-97990	-117265	-152942	-156601	-173081	-95796	-126872
	-85439	-97989	-117265	-152943	-156601	-173082	-95800	-126876
	375687	345841	379725	359479	342568	404372	321266	331780
ACTUAL BANK BALANCE	-85440	-97990	-117265	-152942	-156601	-173081	-95796	-126872
	-85440	-97990	-117265	-152942	-156601	-173081	-95796	-126872
	0	0	0	0	0	0	0	0
***** MISCELLANEOUS DATA *****								
* * * LABOR SUMMARY * * *								
TOTAL PAYROLL	89109	89939	84616	78416	78371	71464	69219	68628
	89108	89940	84617	78415	78371	71464	69220	68628
	89415	90160	85605	78185	77445	70790	70180	70180

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03	87-04	87-05	87-06	87-07	87-08	87-09	87-10	87-11	87-12	TOTAL	%
03	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
03	33%	42%	50%	58%	67%	75%	83%	92%	100%		
053	-1851	925	-185	-91	-96	-110	0	0	0	0	??
053	-1851	925	-185	-91	-96	-110	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	
624	2681	1054	2073	2957	998	1975	0	0	0	0	??
624	2681	1054	2073	2957	998	1975	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	
24	33	8	4691	426	96	89	0	0	0	0	??
24	33	8	4691	426	96	89	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	
028	728	728	488	488	488	488	0	0	0	0	??
028	728	728	488	488	488	488	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	
558	-564558	-564558	-564558	-504558	-564558	-564558	0	0	0	0	??
558	-564558	-564558	-564558	-504558	-564558	-564558	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	
8953	22621	21031	19606	19435	18150	16151	0	0	0	0	??
8953	22621	21031	19606	19435	18150	16151	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	
6124	3074	3024	2974	2924	2924	0	0	0	0	0	??
6124	3074	3024	2974	2924	2924	0	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	
5644	6926	9480	8903	6534	6342	6158	0	0	0	0	
5644	6926	9480	8903	6534	6342	6158	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	
5511	-524168	-508775	-494826	-487565	-537770	-529790	0	0	0	0	
5511	-524168	-508775	-494826	-487567	-537772	-529790	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	
7265	-152942	-156601	-173081	-95796	-126872	-117516	0	0	0	0	
7265	-152943	-156601	-173082	-95800	-126876	-117520	289609	179533	101462	0	
7725	359479	342568	404372	321266	331780	331074	323798	310172	338686	0	
7265	-152942	-156601	-173081	-95796	-126872	-117516	0	0	0	0	??
7265	-152942	-156601	-173081	-95796	-126872	-117516	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	
84616	78416	78371	71464	69219	68628	68889	0	0	0	698651	
84617	78415	78371	71464	69220	68628	68889	72785	57635	62935	892007	78
85605	78185	77445	70790	70180	70180	70180	70180	70180	75480	917980	76





CHURCH  
ACTUALS/ APPROVED BUDGET REPORT FOR FISCAL 1987

	87-01 JUN 8%	87-02 JULY 17%	87-03 AUG 25%	87-04 SEPT 33%	87-05 OCT 42%	87-06 NOV 50%	87-07 DEC 58%	87-08 JAN 67%
* * * INTERNATIONAL MISSIONS * * *								
* NOT IN CASH FLOW - EOFY TOTAL *								
* INCOME *								
2701 INTL MISSION OFFER*3110.1	1148	700	714	670	988	1790	1802	695
	1148	700	714	670	988	1790	1802	695
	850	850	850	850	850	850	850	850
2701 I/M OFFERINGS- SATELLITES	499	96	513	400	89	0	27	20
	499	96	513	400	89	0	27	20
	300	300	300	300	300	300	300	300
TOTAL INCOME	1647	796	1227	1070	1077	1790	1829	715
	1647	796	1227	1070	1077	1790	1829	715
	1150	1150	1150	1150	1150	1150	1150	1150
* EXPENSES *								
2701 PHILIPPINES *4001	1999	1750	1738	2102	1733	1797	1700	1700
	1999	1750	1738	2102	1733	1797	1700	1700
	2000	1800	1800	2000	1800	1800	2000	1800
2701 SWITZERLAND *4002	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
2701 SWEDEN *4003	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
2701 CANADA *4004	300	300	1528	300	934	1418	300	300
	300	300	1528	300	934	1418	300	300
	575	575	575	575	575	575	575	575
TOTAL EXPENSES	2299	2050	3266	2402	2667	3215	2000	2000
	2299	2050	3266	2402	2667	3215	2000	2000
	2575	2375	2375	2575	2375	2375	2575	2375
G A I N OR L O S S (-)	-652	-1255	-2038	-1332	-1590	-1425	-171	-1285
	-652	-1254	-2039	-1332	-1590	-1425	-171	-1285
	-1425	-1225	-1225	-1425	-1225	-1225	-1425	-1225
2701 BAL START OF FISCAL PER	27899	27247	25992	23953	22621	21031	19606	19435
	27899	27247	25992	23954	22622	21032	19607	19436
	0	-1425	-2650	-3875	-5300	-6525	-7750	-9175
INTERNTNL MSSN BALANCE	27247	25992	23953	22621	21031	19606	19435	18150
	27247	25993	23953	22622	21032	19607	19436	18151
	-1425	-2650	-3875	-5300	-6525	-7750	-9175	-10400



CHURCH  
 APPROVED BUDGET REPORT FOR FISCAL 1987

RUN DATE: 04-04-88

PAGE NO. 13

	87-04 SEPT 33%	87-05 OCT 42%	87-06 NOV 50%	87-07 DEC 58%	87-08 JAN 67%	87-09 FEB 75%	87-10 MAR 83%	87-11 APR 92%	87-12 MAY 100%	TOTAL	%
14	670	988	1790	1802	695	500	0	0	0	9007	
14	670	988	1790	1802	695	500	850	850	850	11557	78
50	850	850	850	850	850	850	850	850	850	10200	88
13	400	89	0	27	20	0	0	0	0	1644	
13	400	89	0	27	20	0	25	25	25	1719	96
00	300	300	300	300	300	300	300	300	300	3600	46
27	1070	1077	1790	1829	715	500	0	0	0	10651	
27	1070	1077	1790	1829	715	500	875	875	875	13276	80
50	1150	1150	1150	1150	1150	1150	1150	1150	1150	13800	77
38	2102	1733	1797	1700	1700	1700	0	0	0	16219	
38	2102	1733	1797	1700	1700	1700	2000	1800	1800	21819	74
00	2000	1800	1800	2000	1800	1800	2000	1800	1800	22400	72
0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	??
0	0	0	0	0	0	0	0	0	0	0	??
28	300	934	1418	300	300	799	0	0	0	6179	
28	300	934	1418	300	300	799	400	400	400	7379	84
75	575	575	575	575	575	575	575	575	575	6900	90
66	2402	2667	3215	2000	2000	2499	0	0	0	22398	
66	2402	2667	3215	2000	2000	2499	2400	2200	2200	29198	77
75	2575	2375	2375	2575	2375	2375	2575	2375	2375	29300	76
38	-1332	-1590	-1425	-171	-1285	-1999	0	0	0	-11747	
39	-1332	-1590	-1425	-171	-1285	-1999	-1525	-1325	-1325	-15922	74
25	-1425	-1225	-1225	-1425	-1225	-1225	-1425	-1225	-1225	-15500	76
92	23953	22621	21031	19606	19435	18150	0	0	0	0	
92	23954	22622	21032	19607	19436	18151	16152	14627	13302	0	??
50	-3875	-5300	-6525	-7750	-9175	-10400	-11625	-13050	-14275	0	??
53	22621	21031	19606	19435	18150	16151	0	0	0	0	
53	22622	21032	19607	19436	18151	16152	14627	13302	11977	0	??
75	-5300	-6525	-7750	-9175	-10400	-11625	-13050	-14275	-15500	0	??













**CORPORATE BUDGET SUMMARY**

Fiscal Year 1987-1988

Period Ending 2/29/88

	<u>Year-to-Date Gain/Loss</u>	<u>Projected EOY Gain/Loss</u>	<u>Notes</u>
Church	-21,564	-316,656 -95,152	1
International Missions	-11,747	-15,922 -15,500	
Tape & Sound Ministries	2,861	3,516 15	
Operations	21,023	29,518 13,970	
Studio	-12,358	-21,848 -22,115	
Bible College	108,109	47,776 38,175	
Student Apartments	-4,573	-14,272 -23,730	
Christian School	44,171	32,291 7,730	
Publications	14,030	16,865 23,625	
Bookstore	3,631	1,921 -8,715	
	<hr/>	<hr/>	
<b>TOTAL</b>	<b>143,583</b>	<b>-236,811</b> -81,697	

**Notes for Corporate Budget Summary:**

1. The loss is due to projected increases in legal fees and decreases in offerings.

**Bold type** = actuals, regular type = budget estimates

**Distribution:** Scott Hartley, Wyman Smalley, Drake Pesce  
MJ/COR.BUD.SUM.FEB  
4/2/88CMC



MEMORANDUM

SECT IX ART B1

TO: Deacon Board Members  
FROM: President Don Barnett  
RE: Budget  
DATE: March 18, 1988

It is necessary to make budget adjustments and recommendation with regards to the salary level for all employees. The Deacon Board is under the obligation to make a determination of the funds available to pay employees of the corporation and the President of the corporation is authorized to make a determination of the salary scale for each individual employee.

Please immediately make a determination and provide my office by Tuesday, March 22, 1988 at 2:00 p.m. with copies of all previous budget and allocated expense areas, and with all current figures used in composing the employee maximum wages to be paid at the present time.

Please make a determination based upon the offerings made and summaries provided to you by the accounting office. This memorandum shall act as my authorization for the accounting office to provide you with any and all information necessary to make a determination of the budget allocation of salaries from this point on. Any documents provided to you by the accounting office are to be attached to your recommendation as to the maximum salary level for all employees of the corporation.

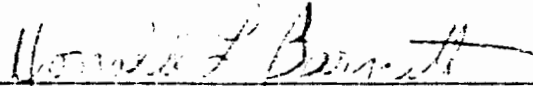
  
\_\_\_\_\_  
Donald L. Barnett,  
President

EXHIBIT 131 DATE \_\_\_\_\_  
WITNESS \_\_\_\_\_  
PATRICE STARKOVICH 682-1427

Blake Burke

D

March 23, 1988

TREASURY - 3111 / Accounts

To Loren Krenelka  
Scott Hartley  
Jack DuBois

SECT IX ART 5 D

3

In reference to your letter of March 17, concerning budget cuts, which I received on March 22, I answer.

Before I can approve employee layoffs, I need to review the drafts of the consenses of the department heads mentioned on page one, paragraph two. I need to know how each dept. is proposed to be restructured and operated.

In as much as the Senior Elders have no authority or function in the corporate offices, the details must be decided by someone other than those making the proposal. This decision falls to the Vice President/General Manager who works under the President. I presently hold these offices and will until I can appoint a Vice President/General Manager who is qualified who will agree to work under the President in accordance with the By Laws.

SECT III  
ALL DECISION  
MAKING AUTH IN  
THE CORP.

I am, accordingly awaiting your departmental restructuring proposal for me to review and decide. I am also awaiting the quarterly Financial statements made in February and any other more recent financial and budget details available.

39D

also

Sincerely,

Don Barnett

SECT IV

Don Barnett

ART 6 + D, G, H

President

ART 10

SECT IX

CORP FINANCES

ART 4 C

EXHIBIT 130 DATE \_\_\_\_\_  
WITNESS \_\_\_\_\_  
PATRICE STARKOVICH 682-1427

## M E M O R A N D U M

TO: All Directors and Officers  
 FROM: President Don Barnett  
 RE: Duty to Corporation  
 DATE: March 13, 1988

SECT IX ART 502  
 + C

③  
 TROUSERS

In order to protect and provide for the future of the Community Chapel and Bible Training Center, it is necessary to remind you and follow up on my previous memorandums regarding your responsibilities.

As an officer or director of the corporation, you have a fiduciary relationship with the corporation and you an undivided loyalty in your position as trustee.

If the corporation suffers any damages as the result of your failing to carry out any of your duties, the corporation will look to you for reimbursement of those damages. Good motives or good intentions will not relieve you of liability for breach of your obligations.

At the present time, it is necessary that you obtain offerings at any services under your direct or indirect control (whether on the Community Chapel and Bible Training Center grounds or otherwise) and that you deposit all funds received in the Community Chapel and Bible Training Center accounts.

Your failure to fulfill your obligations as trustees to the corporation will imperil your right to compensation. In other words, you may forfeit your right to be paid or be obligated to repay any compensation advanced.

It has come to my attention that one or more officers or directors will attempt to prevent or will not allow an offering to be made at the future services which may be held by the Senior Elders on the property. The funds that

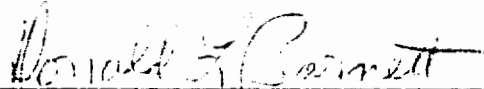
EXHIBIT 132 DATE \_\_\_\_\_  
 WITNESS \_\_\_\_\_  
 PATRICE STARKOVICH 682-1427

would be collected at the services are necessary for the operation of the corporation and it will be necessary to deem any failure to obtain an offering as a breach of the fiduciary obligations owing by directors and officers to the corporation.

If the corporation does not receive its appropriate offering from any services conducted by Senior Elders, proceedings will be commenced to recover the damages suffered by the corporation. Likewise, any failure to follow directives of the President which result in any type of damage to the corporation will be pursued against the individuals involved.

In addition, if any information comes to my attention that any officer or director of the corporation has breached his fiduciary obligations or fails to follow the directives of the President or if any damages arises as a result of any action, directly or indirectly, or any failure to act of any officer or director, damage claims and actions for reimbursement of any and all compensation will be immediately pursued.

It is the intent of this memo to make sure that you understand the clear and definite obligations that you have to the corporation so that we may work to achieve the best results for Community Chapel and Bible Training Center.



---

Donald L. Barnett,  
President