

Exhibit 1

EXCLUSION OF PARSONAGE ALLOWANCE
UNDER INTERNAL REVENUE CODE SECTION 107

A. HOME OWNED OR RENTED/ HOUSING ALLOWANCE RECEIVED:

The exclusion is limited to the least of:

1. Amount designated as housing allowance _____
2. Amount actually used to provide a home:
 - Rent _____
 - House payments _____
 - Furnishings _____
 - Repairs _____
 - Insurance, Taxes _____
 - Utilities _____
 - Other expenses _____
(Include down payments, interests, etc.,
but not food or servants or entertainment)
3. Fair rental value of home, including furniture,
utilities, garage _____

B. PARSONAGE PROVIDED: FAIR RENTAL VALUE _____

BASED ON THE ABOVE FIGURES, THE AMOUNT OF YOUR HOUSING ALLOWANCE
EXCLUDIBLE FROM INCOME TAX LIABILITY IS _____.

THE ENTIRE DESIGNATED HOUSING ALLOWANCE IS SUBJECT TO
SELF-EMPLOYMENT TAX UNLESS YOU HAVE BEEN APPROVED FOR
EXEMPTION OR ARE RETIRED.

Exhibit 2

COMPUTATION OF ALLOWABLE EXPENSES
WHEN TAX-EXEMPT INCOME IS RECEIVED

1. Amount of tax-exempt income (Housing allowance or fair rental value of parsonage provided) _____

2. Total income from ministry:
 Salary _____
 Fees _____
 Allowances _____
 Line 1 Amt. _____
 TOTAL _____

3. Divide line 1 amount by line 2 amount.
 = Nontaxable income % _____%

4. Total business expenses substantiated:
 Auto _____
 Travel _____
 M & E _____
 Other _____
 TOTAL _____

5. Multiply line 4 total by line 3 percentage. These are nondeductible expenses allowable to tax-exempt income. _____

6. Subtract line 5 amount from line 4 amount. These are deductible expenses for Federal income tax purposes. _____