

FINANCE COMMITTEE REPORT TO THE CHURCH COUNCIL

3/13/13

Since the last Council meeting in January, the 2012 financial statements were reviewed by the Finance Committee and finalized. A copy of these final financial statements are included in the packet as are the graphs created by Al Brunsting representing certain numbers on the financial statements.

Highlights of the 2012 operating results are as follows:

- Total revenues came in at \$818,081, which was \$166,520 over budget.
- The Top Off campaign provided \$97,360 of total revenues.
- Total expenses were \$759,473, which was \$32,513 under budget.
- We were able to pay \$105,166 of apportionment, which was 91% of the budgeted amount.
- The increase in unrestricted net assets for 2012 was \$58,608, which was \$199,033 over budget!
- We paid our mortgage principal down by \$17,566.
- Assets less liabilities (unrestricted net assets) was (\$7,438) at year end but that was an improvement of \$58,608.
- The amount of activity in temporarily restricted other funds was significantly less in 2012 than 2011, both in total amount and number of funds. At year-end there were only 15 funds with balances.
- Operating cash was slightly positive (\$1,274) at year-end.

These 2012 results are very impressive and the credit goes to all those who paid their pledges and in excess of their pledges, both regular and Top Off. People also donated directly to apportionment and debt reduction and continue to do so. Also, the staff and volunteers penny-pinched expenses when it was determined that we were in a very difficult financial position due to the large 2011 loss.

We can pat ourselves on the backs and say "Good job" but we cannot rest on our laurels. It is imperative that we keep the momentum going in 2013, which means at least attaining the budget that we discussed at the last meeting. In order to monitor the current financial position, the Finance Committee has committed to meeting on a monthly basis and reviewing each month's financial statements in detail. A monthly article in Tidings has been communicating monthly results to the Congregation, which has been well-received.

A simplified statement of cash receipts and cash disbursements for January, 2013 is included in this packet. A full set of January financial statements is available in the church office to anyone who requests them.

Highlights of January 2013 Results:

- Cash receipts for the month were \$74,323, which was \$8,066 under budget. Note that pledged receipts are also less than January 2012 by \$6,103.
- Total expenses for the month were \$52,114, which was \$8,813 under budget.
- Budgeted apportionment for the month was \$10,424, which was not paid because operating cash was negative.
- Most other expense categories were relatively close to budget.
- At 1/31/13 operating cash was (\$4,051), so we slipped back to a negative.
- Temporarily restricted funds had cash receipts of \$9,430 for the month and had cash disbursed of \$44,372 for the month. There were also transfers made from Christmas and Hunger Commission to Honduras Funds and Honduras Scholarships.

Other Items

- The Finance Committee continues to work on written policies and procedures as recommended by the 2011 Audit.
- We are still looking for someone to do an audit of 2012.

Community United Methodist Church of Naperville
Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis
December 31, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash - Checking (Note 1)	\$ 431,395	\$ 536,465
Cash - CD's	<u>-</u>	<u>67,264</u>
Total Current Assets	431,395	603,729
Other Assets		
Building Collateral for Loan (Note 2)	<u>287,244</u>	<u>287,244</u>
Total Assets	<u>\$ 718,639</u>	<u>\$ 890,973</u>
Liabilities and Net Assets		
Liabilities		
Mortgage Payable - Lisle Savings	\$ 269,678	\$ 287,244
Prepaid Pledges (Note 3)	26,278	28,078
Temporarily Restricted Other Funds	<u>430,121</u>	<u>641,697</u>
	726,077	957,019
Unrestricted Net Assets		
Unrestricted beginning of year	(66,046)	24,372
Current year	<u>58,608</u>	<u>(90,418)</u>
Unrestricted end of year (Note 4)	<u>(7,438)</u>	<u>(66,046)</u>
Total Liabilities and Unrestricted Net Assets	<u>\$ 718,639</u>	<u>\$ 890,973</u>

Community United Methodist Church of Naperville
Statement of Revenue, Expenses,
and Other Changes in Net Assets - Modified Cash Basis
for the years ended December 31, 2012 and 2011
with 2012 Budget Comparison

	Actual 2012	Budget 2012	Actual 2011
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Unrestricted net assets			
Revenues			
Contributions (Note 5)	\$ 786,568	643,011	\$ 565,491
Interest income	669	1,500	3,679
Other (Note 6)	30,844	7,050	17,116
Total unrestricted support	<u>818,081</u>	<u>651,561</u>	<u>586,286</u>
Expenses (Note 7)			
Salaries, wages, and benefits	457,242	473,560	436,587
Office and printing	15,919	14,500	34,080
Program expenses	36,501	33,900	53,664
Repairs and maintenance	83,220	88,100	69,241
Church telephone and utilities	27,424	31,700	33,108
Parsonage utilities and maintenance	6,370	9,400	28,573
Insurance	16,572	16,500	16,251
Interest expense (Note 8)	11,059	9,326	-
Apportionment	105,166	115,000	5,200
Total expenses	<u>759,473</u>	<u>791,986</u>	<u>676,704</u>
Increase (Decrease) in unrestricted net assets	<u>\$ 58,608</u>	<u>\$ (140,425)</u>	<u>\$ (90,418)</u>

Community United Methodist Church of Naperville
Statement of Temporarily Restrictd Other Funds
for the year ended December 31, 2012

	Balance 1/1/2012	Cash Receipts	Cash Disbursed	Transfers	Adjusted to Operations	Balance 12/31/2012
Funds Collected to Reduct Debt	325	3,426	(884)	-	(2,867)	-
Apportionment Contributions	-	10,977	(5,652)	-	(5,325)	-
Christmas Offering	6,407	8,027	(2,327)	(4,272)	-	7,835
Easter Offering	200	5,399	(5,599)	-	-	-
Senior Outreach Ministry	129	2,674	(1,518)	-	-	1,285
Heifer Project	5,305	3,872	(5,703)	-	-	3,474
Human Relations Day	25	371	(396)	-	-	-
Missions Miscellaneous	2,188	3,668	(1,678)	(2,210)	-	1,968
Native American Offering	376	-	(376)	-	-	-
One Great Hours of Sharing	25	783	(808)	-	-	-
Peace with Justice	25	393	(418)	-	-	-
Student Day	360	371	(731)	-	-	-
World Communion Sunday	230	459	(689)	-	-	-
Second Mile Greatest Need	4,416	5,137	(882)	665	-	9,336
Children's Fund	15	-	(15)	-	-	-
ChildServ	-	2,276	(2,276)	-	-	-
HIV/AIDS Clinic Kenya	-	3,311	(3,311)	-	-	-
Honduras Funds	7,226	20,934	(26,637)	8,162	-	9,685
Honduras Trip Funds	260	30	-	(290)	-	-
Honduras Scholarship	250	5,250	(5,375)	-	-	125
Humboldt Park UMC	-	1,285	(1,285)	-	-	-
Hunger Commission	2	25,964	10,073	(9,000)	(3,000)	24,037
Katherine Manor	-	1,587	5,575	(7,162)	-	-
Marcy Newberry	-	15	610	(625)	-	-
Midwest Distribution Center	-	1,396	635	(2,031)	-	-
PADS (DuPage)	-	5,922	3,691	(6,218)	(500)	2,895
Pastor's Discretionary Fund	-	784	4,942	(6,402)	676	-
People's Resource Center	-	3,011	635	-	-	3,646
Protestants for the Common Good	-	-	1,500	(1,500)	-	-
Red Bird Mission Henderson	-	-	1,175	(1,175)	-	-
Reverend Jose Pena	-	-	2,710	(2,710)	-	-
Samaritan Interfaith	-	2,851	860	(3,711)	-	-
Trinity UMC Joliet	-	1,372	3,057	(4,429)	-	-
UMCOR USA	-	-	1,260	(1,260)	-	-
UMCOR International	-	15	2,671	(2,686)	-	-
Youth Work Project	-	-	13,214	(8,164)	(5,050)	-
Aurora Shalom Ministries	-	-	640	(1,585)	945	-
Donut Fund	-	-	722	(207)	(515)	-
Initial Offering	-	-	600	(359)	(241)	-
Parish Nurses	-	279	-	-	-	279
Youth Scholarship Fund	-	-	2,720	(3,609)	889	-
Stephen Ministry	-	-	25	-	(25)	-
Vacation Bible School	-	-	80	(40)	(40)	-
Bridge Funds (Note 9)	-	500,000	-	(170,000)	-	330,000
Building Fund (Note 10)	-	-	43,632	(39,464)	-	4,168
Capital Reserve (Note 11)	-	29,218	-	(4,033)	-	25,185
Foundation Gifts	-	-	233	50	(283)	-
Trustee Capital (Note 11)	-	-	8,316	1,875	(3,988)	6,203
Flowers	-	-	-	2,142	(2,769)	-
175th Anniversary Fund	-	-	-	6,176	(4,055)	(2,121)
Parsonage Maintenance	-	-	-	-	(185)	185
In/Out Funds (Note 12)	-	-	-	-	-	-
	<u>32,972</u>	<u>12,262</u>	<u>(33,895)</u>	<u>-</u>	<u>(11,339)</u>	<u>-</u>
	<u>641,697</u>	<u>202,175</u>	<u>(388,105)</u>	<u>0</u>	<u>(25,646)</u>	<u>430,121</u>

Community United Methodist Church of Naperville
Notes to the Financial Statements
for the years ended December 31, 2012 and 2011

Note 1: Cash and cash equivalents

As of December 31, 2012 and 2011, Cash - checking is comprised of the following:

	2012	2011
Unrestricted cash (operating)	\$ 1,274	\$ (37,968)
Temporarily restricted cash	430,121	\$ 641,697
	\$ 431,395	\$ 603,729

Negative operating cash balance indicates that we have borrowed from temporarily restricted funds.

Note 2: Building Collateral for Loan

This was the balance of the mortgage with Lisle Savings at January 1, 2011.

Note 3: Prepaid Pledges

Pledges received in 2012 for 2013	\$26,278
Pledges received in 2011 for 2012	\$28,078

Note 4: Unrestricted Net Assets

A negative number means liabilities are greater than assets. Normally, this means that an entity is insolvent. However, CUMC like many churches does not report all of its assets on the financial statement.

Note 5: Contributions

This amount includes pledged, unpledged, and loose offerings plus offerings for apportionment and debt reduction. 2012 Contributions includes \$97,360 collected as a result of the Top Off campaign.

Note 6: Other Revenues

This amount includes amounts received from the CUMC Foundation, payments received for youth ministry trips, payments received for altar flowers, tax refunds, etc.

Note 7: Expenses

New software was utilized beginning in 2012. Some expenses are being categorized differently in 2012 versus 2011. Comparability may be difficult as a result.

Note 8: Interest expense

Interest expense on the mortgage for 2011 was paid through a designated fund.

Note 9: Bridge Fund

Amount received from an anonymous donor for youth work in the Naperville area. We are funding an organization called Naper Bridge, Inc.

Note 10: Building Fund

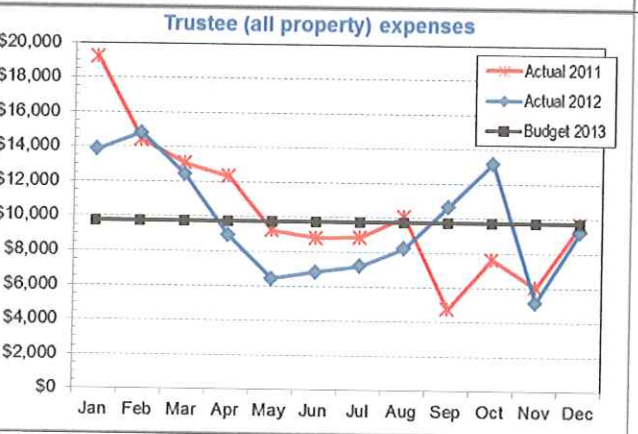
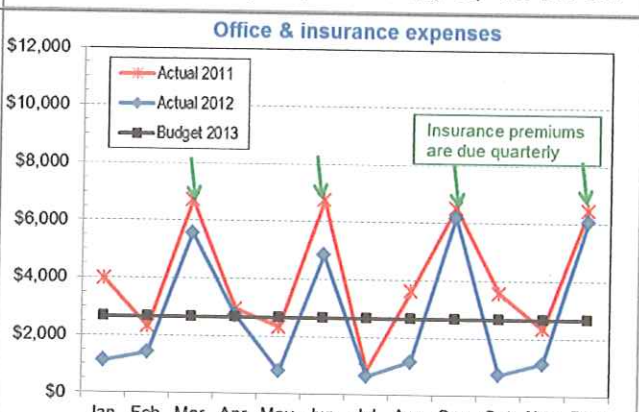
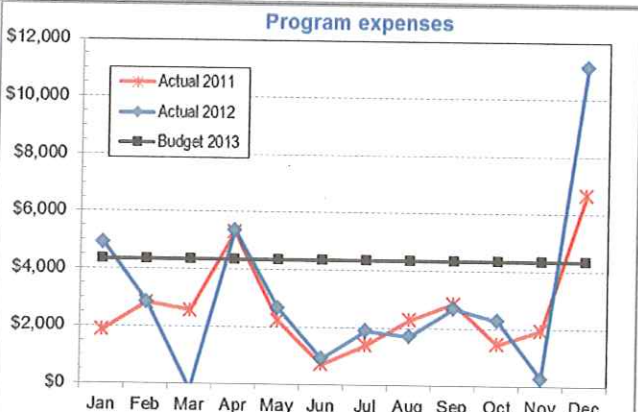
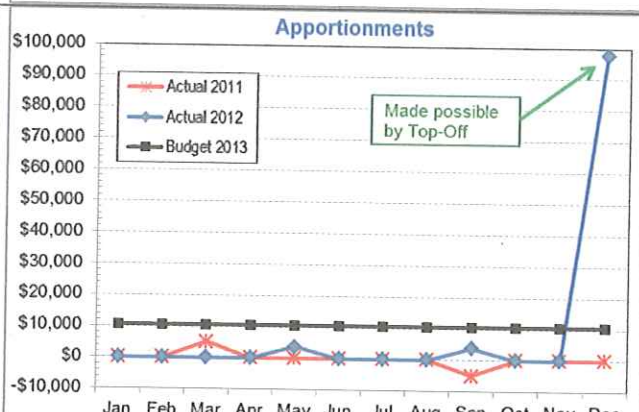
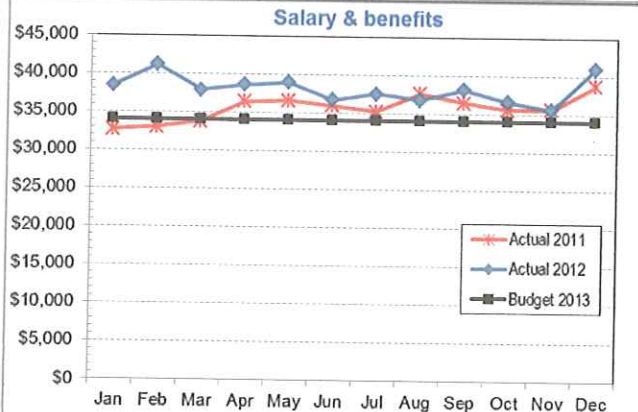
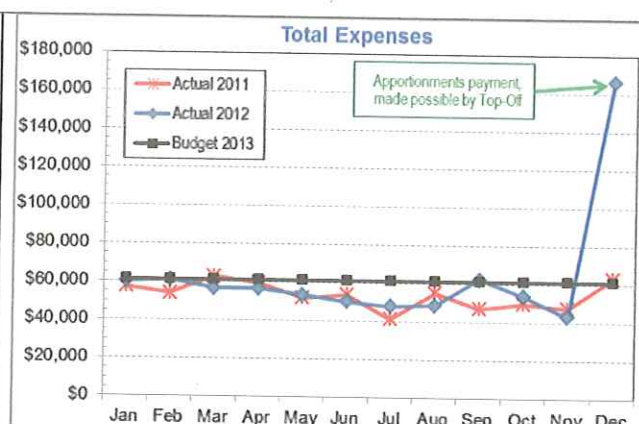
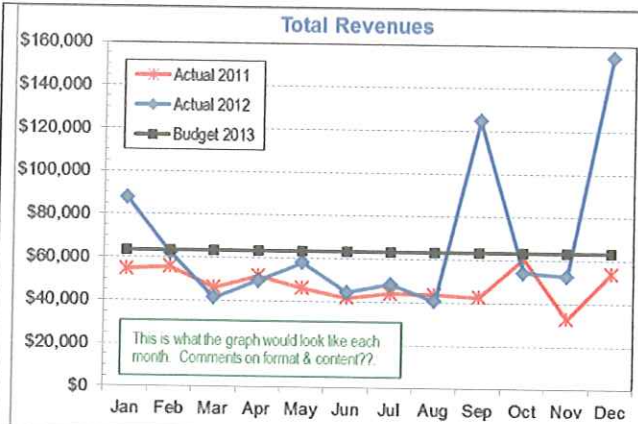
Amounts received in 2012 and spent in planning for our future building project.

Note 11: Capital Reserve and Trustee Capital

These funds are under the control of the trustees and utilized for unbudgeted emergency repairs.

Note 12: In/Out Funds

No longer utilized, it was previously used to match cash receipts and cash disbursements for special items. Additional operating revenue accounts have been created to replace this fund.

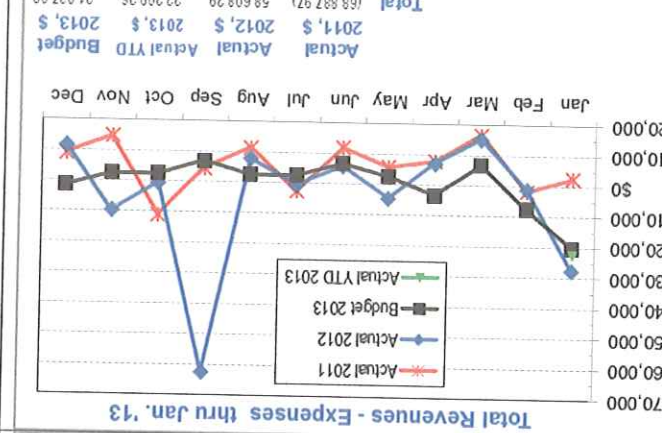
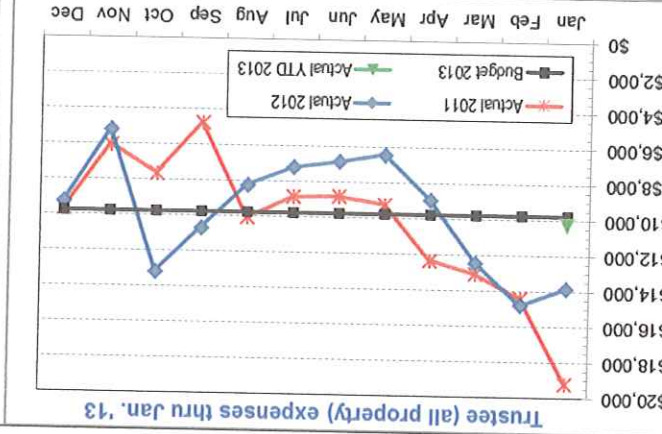
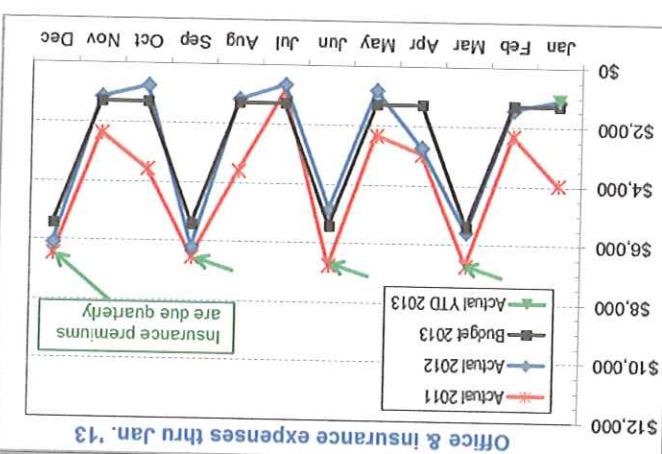
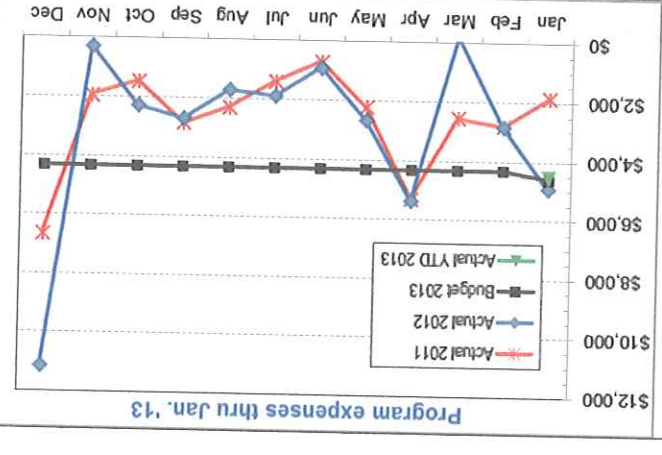
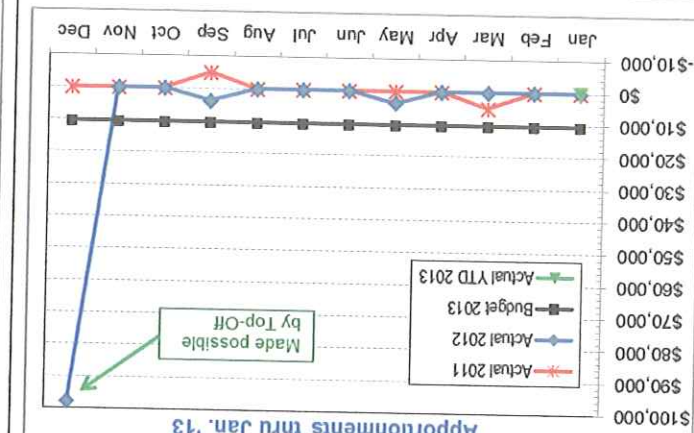
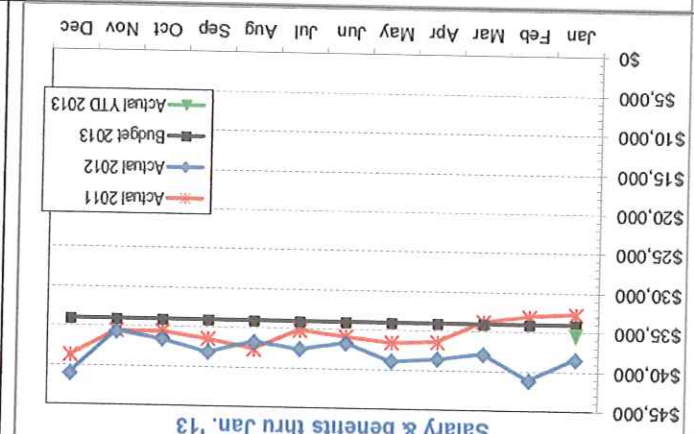
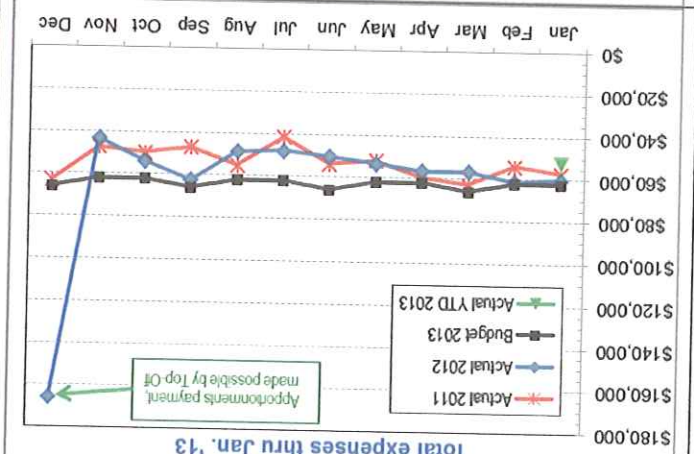
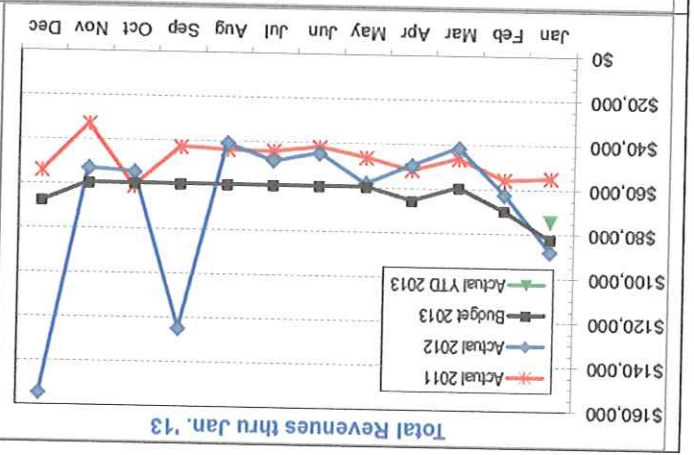


This space will be used for notes about these charts. What are your comments about this format of financial reporting every month? My conclusion is that these charts help to spot trends and compare year to year. Brenda provided the data.

-- Al Brunsting

Community United Methodist Church
Statement of Revenue, Expenses, and
Other Changes in Net Assets - Modified Cash Basis
January 31, 2013 and 2012
with 2013 Budget Comparison

	2013 Actual	2012 Actual	2013 Budget
Revenues			
Pledged	\$ 65,765	\$ 71,868	\$ 73,280
Top Off	-		-
Other Offerings	6,344	10,020	7,559
Miscellaneous	2,214	5,831	1,550
	<u>74,323</u>	<u>87,719</u>	<u>82,389</u>
Expenses			
Salaries and Benefits	35,449	38,427	34,064
Program Expenses	4,520	4,922	4,601
Trustee Expenses	10,246	13,862	9,740
Office and Insurance	1,087	1,121	1,283
Mortgage Interest	812	1,801	815
Apportionment	-	-	10,424
	<u>52,114</u>	<u>60,133</u>	<u>60,927</u>
Net per financial statements	<u>22,209</u>	<u>27,586</u>	<u>21,462</u>



Actual 2011 Actual 2012 Budget 2013 Actual YTD 2013
 2011, \$ 2012, \$ 2013, \$ 2013, \$
 Total (68,887.97) 58,608.29 22,209.26 24,837.00