

## FINANCE COMMITTEE REPORT TO THE CHURCH COUNCIL

3/12/2014

The final and official financial statements for 2013 are attached, which reflect a second year of financial recovery. This is a good trend that the Finance Committee is working hard to continue. If you have questions regarding these financial statements, please don't hesitate to contact Rich Kaffka, Brenda DeGeer, or any member of the Finance Committee. The 2013 results were reported in February in Tidings as well as in a handout in the church bulletin.

The second attachment is a summary of the January, 2014 results. Revenues were under budget for the month by \$2,587 due to pledged giving. All other components of income were over budget. Expenses were over budget by \$4,715 due to program expenses (youth activities) and trustee expenses (utilities and snow). Other expenses were under or right on budget. We are paying 1/24<sup>th</sup> of our annual apportionment per month at this time and will review this amount at the end of the first quarter to see if it can be increased. The plan would be to make up any shortfall in the month of December in order to pay our full apportionment. Operating cash was \$14,106 at the end of January, another sign of growing financial health.

We have our 2013 audit scheduled to begin right after April 15<sup>th</sup>. Kathy Kiefer, an experienced CPA who performed last year's audit, will again do the audit pro bono.

The Finance Committee and Trustees continue to work on renegotiating various vendor contracts. A new telephone contract with AT&T will save us \$1,500 over the next year, beginning in March. We are working on a new copier lease as well.

The Finance Committee members continue to write articles for Tidings on financial topics. Feedback is always valued.

We thank everyone for keeping their pledges current and for being good stewards of church assets.

**Community United Methodist Church of Naperville**  
**Statement of Assets, Liabilities, and Net Assets**  
**Modified Cash Basis**  
**December 31, 2013 and 2012**

	2013	2012
<b>Assets</b>		
<b>Current Assets</b>		
Checking - Operating	\$ 39,369	\$ 1,274
Checking - Temporarily Restricted	184,569	430,121
Total Current Assets	223,938	431,395
<b>Other Assets</b>		
Building Collateral for Loan (Note 2)	287,244	287,244
<b>Total Assets</b>	<b>\$ 511,182</b>	<b>\$ 718,639</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Mortgage Payable - Lisle Savings	\$ 251,062	\$ 269,678
Prepaid Pledges (Note 3)	41,827	26,278
Temporarily Restricted Other Funds	183,819	430,121
	476,708	726,077
<b>Unrestricted Net Assets</b>		
Unrestricted beginning of year	(7,438)	(66,046)
Current year	41,912	58,608
Unrestricted end of year (Note 4)	34,474	(7,438)
<b>Total Liabilities and Unrestricted Net Assets</b>	<b>\$ 511,182</b>	<b>\$ 718,639</b>

**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, 2013 and 2012  
with 2013 Budget Comparison

	Actual 2013	Budget 2013	Actual 2012
Unrestricted net assets			
Revenues			
Contributions (Note 5)	\$ 741,152	730,758	\$ 786,568
Interest income	-	-	669
Other (Note 6)	48,157	28,829	30,844
Total unrestricted support	789,309	759,587	818,081
Expenses (Note 7)			
Salaries, wages, and benefits	417,204	408,762	457,242
Office and printing	12,752	15,400	15,919
Program expenses	49,641	52,130	36,501
Repairs and maintenance	84,579	82,150	83,220
Church telephone and utilities	36,685	27,800	27,424
Parsonage utilities and maintenance	8,142	6,950	6,370
Insurance	13,919	16,500	16,572
Interest expense (Note 8)	9,467	9,523	11,059
Apportionment (Note 9)	115,008	125,088	105,166
Total expenses	747,397	744,303	759,473
Increase in unrestricted net assets	\$ 41,912	\$ 15,284	\$ 58,608

**Community United Methodist Church of Naperville**  
**Statement of Temporarily Restricted Other Funds**  
for the year ended December 31, 2013

	Balance 1/1/2013	Cash Receipts	Cash Disbursed	Transfers	Adjusted to Operations	Balance 12/31/2013
Aurora Shalom Ministries	-	625	(1,600)	975		-
Bridge Fund (Note 9)	330,000		(330,000)			-
Building Fund (Note 10)	4,168	110,000	(5,938)			108,230
Capital Reserve (Note 11)	25,185	200	(9,978)			15,407
ChildServ	-	2,186	(2,186)			-
Christmas Offering	7,835	50		(7,885)		-
Foundation Gifts	-	800	(800)			-
Hearing Loop	-	8,260		1,025		9,285
Heifer Project	3,474	5,725	(9,199)			-
Henryville Tornado	-	1,000		(1,000)		-
HIV/AIDS Clinic Kenya	-	2,530	(2,530)			-
Honduras Funds	9,685	11,853	(15,461)	5,943		12,020
Honduras Scholarship	125	3,728	(7,794)	5,141		1,200
Human Relations Day	-	235	(235)			-
Humboldt Park UMC	-	335	(325)			10
Hunger Commission	24,037	7,882	(17,259)	(3,149)		11,511
In/Out Funds (Note 12)	-	4,645	(5,382)	-	544	(193)
Katherine Manor	-	4,600	(4,600)			-
Marcy Newberry	-	35	(25)	(10)		-
Midwest Distribution Center	-	410	(410)			-
Missions Miscellaneous	1,968	1,445	(2,906)	(507)		-
Native American Offering	-	355	(355)			-
NCC Outreach	-	560	(214)			346
One Great Hours of Sharing	-	1,000	(1,000)			-
PADS (DuPage)	2,895	5,920	(6,339)			2,476
Parish Nurses	279		(86)			193
Pastor's Discretionary Fund	-	4,291	(1,068)	500		3,723
Peace with Justice	-	380	(380)			-
People's Resource Center	3,646	605	(4,251)			-
Protestants for the Common Good	-	1,100	(1,100)			-
Red Bird Mission Henderson	-	2,130	(2,130)			-
Reverend Jose Pena	-	2,487	(2,987)	500		-
Samaritan Interfaith	-	1,465	(1,465)			-
School Kits	-	50		(50)		-
Second Mile Greatest Need	9,336	7,660	(3,167)	(458)	-	13,371
Senior Outreach Ministry	1,285	7,197	(5,060)	(1,025)		2,397
Student Day	-	380	(380)			-
Trinity UMC Joliet	-	910	(805)			105
Trustee Capital (Note 11)	6,203	335	(3,200)			3,338
UMCOR International	-	9,359	(9,359)			-
UMCOR USA	-	1,150	(1,150)			-
World Communion Sunday	-	110	(110)			-
Youth Work Project	-	400				400
	<u>430,121</u>	<u>214,388</u>	<u>(461,234)</u>	<u>-</u>	<u>544</u>	<u>183,819</u>

Community United Methodist Church of Naperville  
 Note to the Financial Statements  
 for the years ended December 31, 2013 and 2012

Note 1: Cash and cash equivalents

As of December 31, 2013 and 2012, Cash - checking is comprised of the following:

	2013	2012
Unrestricted cash (operating)	\$ 39,369	\$ 1,274
Temporarily restricted cash	184,569	430,121
	\$ 223,938	\$ 431,395

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 2013 for 2014	\$41,827
Pledges received in 2012 for 2013	\$26,278

Note 4: Unrestricted Net Assets

The Net Assets became a positive number in 2013. This is a sign of a more healthy financial situation when the assets of the church are greater than the liabilities of the church.

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 2013 versus 2012. Comparability may be difficult as a result.

Note 8: Interest expense

Interest expense on the mortgage for 2013 and 2012.

Note 9: Bridge Fund

The Naper Bridge, Inc. organization attained its not-for-profit status with the IRS during 2013 and we distributed the remainder of the temporarily restricted funds of \$330,000 to that entity.

Note 10: Building Fund

Amounts received in 2013 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 repairs as well as capital expenditures.

Note 12: In/Out Funds

Utilized sparingly for special items where we are holding monies to pay out for a short time. Current balance of negative \$193 is a refund on expenses previously paid.

Community United Methodist Church  
Statement of Revenue, Expenses, and  
Other Changes in Net Assets - Modified Cash Basis  
31-Jan-14  
with 2014 Budget Comparison

	1/31/2014 Actual	1/31/2013 Budget	Variance of 2014 to Budget	Comments
Revenues				
Pledged	73,457	82,607	(9,150)	Actual and budget include 2013 prepaids
Unpledged	4,934	2,280	2,654	
Other Offerings	4,199	1,103	3,096	
Miscellaneous	<u>2,419</u>	<u>1,606</u>	<u>813</u>	
	<u>85,009</u>	<u>87,596</u>	<u>(2,587)</u>	
Expenses				
Salaries and Benefits	29,809	33,192	(3,383)	
Program Expenses	7,170	4,211	2,959	Youth activities
Trustee Expenses	22,807	17,119	5,688	Utilities, snow
Office and Insurance	3,209	3,758	(549)	
Apportionment	4,865	4,865	-00	
Mortgage Interest	<u>758</u>	<u>758</u>	<u>-00</u>	
	<u>68,618</u>	<u>63,903</u>	<u>4,715</u>	
Net	<u>16,391</u>	<u>23,693</u>	<u>(7,302)</u>	
Operating cash beginning of month	39,369			
Net income current month	16,391			
Prepaid donations	(41,077)			
Principal paid on mortgage	(1,309)			
Payroll liabilities	<u>642</u>			
Operating cash end of month	<u>14,016</u>			