

NATIONAL CONFERENCE TREASURER

The calendar year ending December 31, 2016 was not a bad year financially for the National Conference. Comparably ministry funds were up about 1% over 2015, investment income was positive and cash and investments increased \$85k. Transferring the former Millersville Grace EC to Grace Community in Willow Street generated a noncash loss of \$200,000 which is an offset to a noncash gain recorded in 2014 for the same property. Expenses were mostly in line with budget. The required travel for the Associates and District Field Directors was under estimated in the budget and legal costs were higher than anticipated. The positive energy and momentum generated from the covenant implementation is worth the unbudgeted costs for the Associates and DFDs. With our schedule of preparing the National Conference budget almost ten months in advance of the implementation date it will be not be until 2018 when the budget will more closely match the activities of the new structure.

Comparable ministry funds received are about \$14,000 over last year. The number of churches recording a decrease in ministry funds was 68 and 56 churches recorded an increase. However the sum of the increases was greater than the sum of the decreases. Three churches paid nothing in 2016 but at least something in 2015, excluding the closed churches of Muir and Weissport. These three churches are offset by seven churches that paid some ministry funds in 2016 that paid nothing in 2015. More importantly, over \$100,000 was retained by the local EC church that was not paid to the denomination in ministry funds.

There are usually two or three churches a year that experience an event that will significantly decrease ministry funds and 2016 was about the same. Of the 68 churches with a decrease in ministry funds the vast majority of the decreases would be considered a small decrease in either dollar amount or percentage. An analysis of the change in ministry funds by church does not support the conclusion of a mass decline in EC Church health or a small vs. large church dynamic. The yearly increases and decreases in ministry funds were experienced by all size churches and in different locations.

The \$378,000 negative expense budget variance includes multiple unbudgeted expense items such as the one-time gifts to Evangelical Seminary and Twin Pines, May 2016 national conference and student aid loan forgiveness. These unbudgeted items equal \$362,000. The negative budget items of CNT travel and legal fees result in a \$16,000 unfavorable budget variance. An increasing use of legal fees, but not great in cost, is the disposition of the property of closed churches, i.e. correcting names on deeds or transferring property ownership or the sale of properties.

The calculation of the 2018 budget is underway. It is too early, as of the writing of this report, to speculate on the 2018 ministry fund percentage. Early indications are that another decrease in ministry funds is anticipated. The 2017 ministry fund percentage is 7.33% which is down about 1.50% from 2015. The Finance Committee is committed to following the covenant implementation plan and reducing the ministry fund burden on the local church.

Respectfully Submitted,

Debra Patterson
Treasurer

National Conference of the Evangelical
 Congregational Church
 Balance Sheet
 Twelve Months Ended December 31, 2016

	<u>Unaudited</u> <u>12/31/2016</u>	<u>Audited</u> <u>12/31/2015</u>
Assets		
Cash and Investments	689,614	593,037
Accounts Receivable	87,370	89,396
Prepaid Expenses	25,901	32,795
Inventory	4,871	11,566
Property Held for Resale	20,000	220,000
Property, Plant & Equipment, net	<u>265,452</u>	<u>293,175</u>
Total Assets	<u><u>1,093,208</u></u>	<u><u>1,239,969</u></u>
 Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	21,946	28,791
Salary Related Payables	5,686	14,864
District Liabilities	6,320	4,223
Pension Liability	<u>479,576</u>	<u>591,146</u>
Total Liabilities	513,528	639,024
 Net Assets		
Unrestricted	579,680	600,945
Temporarily Restricted	<u>-</u>	<u>-</u>
	579,680	600,945
Total Liabilities and Net Assets	<u><u>1,093,208</u></u>	<u><u>1,239,969</u></u>

National Conference of the Evangelical
 Congregational Church
 Statement of Activities
 Twelve Months Ended December 31, 2016 (unaudited)

	<u>12/31/2016</u>			<u>Audited</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>12/31/2015</u>
Revenues				
Ministry Funds	1,305,872	1,216,000	89,872	1,426,094
National Conference Registrations	45,509	-	45,509	43,738
Student Aid Offering	17,852		17,852	24,187
Sales of Ministry Aides	3,778		3,778	4,159
Copier/Postage	18,573	27,500	(8,927)	22,382
Income from Church Closure	(18,895)		(18,895)	-
Gain/(Loss) Disposal of Asset	10,888		10,888	-
Donated Property	(200,000)		(200,000)	3,448
All Other	464,985	166,604	298,381	32,118
Total Revenues	<u>1,648,562</u>	<u>1,410,104</u>	<u>238,458</u>	<u>1,556,126</u>
Expenses				
National Conference	102,038	57,244	(44,794)	122,683
Commission on Evangelism & Discipleship	3,719	10,254	6,535	8,860
Church Health	17,863	28,385	10,522	5,091
Leadership	10,173	1,782	(8,391)	19,733
Church Office Operations	225,167	212,096	(13,071)	402,951
Denominational Leadership	241,466	216,467	(24,999)	404,016
Ministry Development Community	39,541	13,317	(26,224)	-
Missional Alingement Community	165,086	143,566	(21,520)	-
Conference Support Team	193,377	202,236	8,859	-
Agencies & Institutions	789,481	524,757	(264,724)	624,039
	<u>1,787,911</u>	<u>1,410,104</u>	<u>(377,807)</u>	<u>1,587,373</u>
Revenues Over/(Under) Expenses	<u>(139,349)</u>	<u>-</u>	<u>(139,349)</u>	<u>(31,247)</u>

