

NATIONAL CONFERENCE TREASURER

The fiscal year ending December 31, 2017 resulted in the net assets of the National Conference increasing by \$153,000. There was no unusual revenue or expense activity during the year that has significantly affected the operating financial results. There were some minor out of the ordinary revenue activity such as \$33,000 of investment income, \$14,000 in appropriations paid back by the former East Petersburg Grace E.C. Ministry funds were \$35,000 over budget and comparable ministry funds are \$3,000 over last year. Budgeted expenses were mostly as anticipated with the exception of building costs for closed churches, appropriations and conference network team travel. The budget for conference network team was grossly under estimated for 2017 resulting in an \$11,000 unfavorable budget variance and two unanticipated appropriations of \$10,000 each were made during the year. The timing of closed churches and the condition of their building when they close is always an unknown. Offsetting these negative budget variance were positive budget variances from stationing moving and retiree hospitalization. Overall the positive and negative budget variances resulted in a net positive expense budget variance.

As mentioned above comparable ministry funds recorded a small increase over last year. However, we had many more churches recording a year to year increase in ministry fund payments than the churches that recorded a decrease. Forty-nine churches recorded a decrease in comparable ministry fund payments compared to seventy-five churches that recorded an increase in year over year ministry fund payments. Last year there were sixty-eight churches that recorded a decrease in comparable ministry funds from 2015 to 2016. During 2017 seven churches paid no ministry funds during the year but paid something in 2016 and three churches that paid ministry funds in 2017 but no ministry fund payments in 2016. The ministry fund payment statistics are not negative nor would I classify them as overly positive. There are some bright spots and positive indicators but overall the ministry fund payments can be best described as stable. Thank-you to all of the church treasurers that are diligent in making the ministry fund payments.

The financial markets recorded an overall gain during 2017 that resulted in positive investment income and an increased investment account balances for the National Conference resulting in cash and investments increasing \$121,000 over last year. A positive of an increasing cash and investment balance is that enough cash is held to fund the outstanding pension liability. A negative of an increased cash and investment balance is the current financial market volatility we are currently experiencing may result in us not having as much cash as we have now. While we are not expecting a market downturn, we do have some cushion to ride out any short term difficulties.

Calendar year 2017 was our first full fiscal year under the new structure without any financial stressors. The ten month lead time from budget preparation to implementation and a new operating structure contributed to a budget that was not accurate in a few line items and the approved 2018 budget following the same schedule may also have a few inaccuracies. Nonetheless, the denominational restructuring to date seems to have financially benefited the denomination with continual decreases in the ministry fund percentage on schedule. Thanks to the Finance Committee for their work throughout the year and keeping leadership on task.

Respectively Submitted,

Debra Patterson
Treasurer

National Conference of the Evangelical
 Congregational Church
 Balance Sheet
 Twelve Months Ended December 31, 2017

	Unaudited <u>12/31/2017</u>	Audited <u>12/31/2016</u>
Assets		
Cash and Investments	810,517	689,614
Accounts Receivable	136,111	87,370
Prepaid Expenses	26,135	25,901
Inventory	4,871	4,871
Property Held for Resale	20,000	20,000
Property, Plant & Equipment, net	<u>258,914</u>	<u>265,453</u>
Total Assets	<u><u>1,256,548</u></u>	<u><u>1,093,209</u></u>
 Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	33,597	21,946
Salary Related Payables	5,686	5,686
District Liabilities	5,325	6,320
Pension Liability	<u>479,576</u>	<u>479,576</u>
Total Liabilities	524,184	513,528
 Net Assets		
Unrestricted	732,364	579,681
Temporarily Restricted	<u>-</u>	<u>-</u>
	732,364	579,681
Total Liabilities and Net Assets	<u><u>1,256,548</u></u>	<u><u>1,093,209</u></u>

National Conference of the Evangelical
 Congregational Church
 Statement of Activities
 Twelve Months Ended December 31, 2017 (unaudited)

	12/31/2017			Audited
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>12/31/2016</u>
Revenues				
Ministry Funds	1,199,460	1,164,259	35,201	1,306,586
National Conference Registrations	43,956	-	43,956	45,509
Student Aid Offering	15,836	-	15,836	
Sales of Ministry Aides	3,507	6,300	(2,793)	3,778
Copier/Postage	27,650	23,500	4,150	18,573
Income from Church Closure	2,189	-	2,189	(18,498)
Gain/(Loss) Disposal of Asset	40	-	40	15,049
Donated Property	-	-	-	(200,000)
All Other	129,593	89,683	39,910	477,567
Total Revenues	<u>1,422,231</u>	<u>1,283,742</u>	<u>138,489</u>	<u>1,648,564</u>
Expenses				
National Conference	-	-	-	102,038
Commission on Evangelism & Discipleship	-	-	-	3,719
Church Health	31,574	46,548	14,974	17,863
Leadership	-	-	-	10,173
Church Office Operations	-	-	-	225,167
Denominational Leadership	-	-	-	241,466
Ministry Development Community	59,854	39,968	(19,886)	39,541
Missional Alignment Community	320,739	341,547	20,808	165,085
Conference Support Team	480,552	450,895	(29,657)	193,376
Agencies & Institutions	376,829	404,784	27,955	789,485
	<u>1,269,548</u>	<u>1,283,742</u>	<u>14,194</u>	<u>1,787,913</u>
Revenues Over/(Under) Expenses	<u>152,683</u>	<u>-</u>	<u>152,683</u>	<u>(139,349)</u>

