



CHRISTIAN CHURCH IN OHIO

D I S C I P L E S O F C H R I S T

*A covenant network of congregations in mission:
We are the Body of Christ gifted and called in covenant together as Disciples of Christ
to be centers of transformation on the new mission frontier of our own communities*

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Guide to the Financial Reports

Why do we get so many reports?

We keep separate budgets for the Regional Office and Camp. Further, within each of those budgets there are a number of separate funds. For both the Regional Office & Camp, we receive several reports:

- A Statement of Financial Position (a Balance Sheet in for-profit terms)
- A Detailed Net Asset Activity report showing changes in the balances of each fund
- A Budget Report (a Profit & Loss statement in for-profit terms)

What does the Statement of Financial Position show me?

The Statement of Financial Position is like a balance sheet. It shows our assets and liabilities at a point in time, for example at year end.

- Current Assets include cash we have on hand or monies owed to us that we will receive within the next year.
- Investments which represent the balances of our investment accounts.
 - We have a small amount invested at Church Extension, currently earning interest of 1.125% per year.
 - Most of our investments are at the Christian Church Foundation. The Beasley Fund is a growth portfolio and the Common Fund is a balanced fund portfolio.
 - Until January 2019 we also had the Lilly Grant (THRIVE) invested at Church Extension.
- Fixed Assets are the book value (NOT the market value) of our facilities at Camp Christian, plus vehicles, furniture and equipment we own. These are shown at their original cost. The accumulated depreciation is a negative number and is a cumulation of all of the depreciation expenses charged to the budgets each year. Subtracting the depreciation from the original cost gives us their net book value.
- Liabilities are what we owe to others. Generally these are the current month's bills that are waiting to be paid. We also currently have a mortgage secured by Camp. The mortgage is the line item "Note Payable – CE 4.5%". The mortgage is held by Church Extension at an interest rate of 4.5%. We made significant reductions to our mortgage balance in 2018.
- Net Assets are what remains when we deduct our liabilities from our assets.
 - Unrestricted net assets can be used for any purpose in accordance with our mission and charitable purpose.

- Temporarily Restricted net assets must be used for a specific purpose as designated by the donor, and we can use both the gift itself as well as any income it generates.
- Permanently Restricted assets exist to generate income to fund future years operations. We are not permitted to spend the original gift, only the income generated by the gift. This is sometimes called a Restricted Endowment.

What does the Detailed Net Asset Activity report show me?

This report shows the Net Assets broken down into the various funds they have been targeted towards. All of the Unrestricted fund balances were set to zero as of January 2018. This was a very unusual step taken out of necessity because of the financial hole we found ourselves in.

- The Operating Fund line shows the accumulated income and expenses for the Regional Office and, on a separate report, for Camp Christian. You will note that at 12/31/2018 we had a NEGATIVE fund balance in the Regional Office operating fund of \$129,056. This is essentially the amount that the Regional Office spent in past years from our Permanently Restricted Funds – something it was not supposed to do. We are currently working to bring that back to zero.
- The other fund balances in the Unrestricted Net Assets show the net of the income and expenses for the current year. For example, in 2018 CYF had income from fees of \$96,103 in 2018, and was allocated \$72,226 in expenses resulting in a surplus at year end.
- You'll note that there is no activity on the Permanently Restricted Net Asset funds. The income/interest generated from those funds is shown on the Unrestricted Net Asset page as "CCF/Morgan Stanley Investment Activity."

More information about the Restricted Funds can be found on the [List of Restricted Funds](#) document.

What does the Budget Report show me?

The Budget Report is similar to a Profit & Loss statement in the for-profit world. It shows the Income from various sources, and Expenses used to generate that income. Deducting all of the Expenses from the Income gives us the Net Surplus or Deficit. Like the other financial statements, there are separate budget reports for the Regional Office and for Camp. Since the line items are very different between the two budgets, we will discuss them separately.

Regional Office Budget

Income

- Our primary source of income is from the Disciples Mission Fund (DMF), which supports the ministries of both the general and regional church. Typically Ohio keeps 40% of donations made by Ohio congregations to the DMF, while the remainder goes to support the work of the general church. Given our financial situation, the general church has generously agreed to let us keep 70% of the DMF offering from July 2017 – June 2018, 60% from July 2018 – June 2019, 50% from July 2019 – June 2020, returning to our usual 40% effective July 2020.
- The Christmas Offering, 100% of which supports Ohio is another key source of income for the Region, as well as the Leadership Giving Campaign, and undesignated gifts and offerings.
- Distributions from non-owned endowments are income from endowments that are not in our control, but which support (in part) the Christian Church in Ohio. These include the Carl R Brown Family Fund,

the Della Dickson Fund, the Second Christian Church of Warren Ohio Fund, and the Gerald F. Vesey Estate.

- Grants have been a relatively small source of income, but there is opportunity to grow this if we are able to properly staff and support the programming the grants are intended to support.

Expenses

- Partner Regions Fees is a new expense for 2019. Since we do not have a Regional Minister on staff, and since there are certain functions that must be performed by a Regional Minister, e.g., search and call, we have arranged with our neighboring regions to provide these services to us at a cost of \$1 per day per congregation. We will terminate these agreements once we hire a Regional Minister for Ohio.
 - The Kentucky Region provides support to 30 congregations in Ohio districts 12, 13 & 14 at \$10,950 annually.
 - The Indiana Region provides support to 26 congregations in Ohio districts 5, 8 and 9 at \$9,490 annually.
 - The West Virginia Region provides support to 44 congregations in Ohio districts 4, 7, 10, 11 and 15 at \$16,060 annually.
 - The Michigan Region provides support to 58 congregations in Ohio districts 1,2,3 and 6 at \$21,170 annually.
 - Combined, the annual expense is \$57,670, which is significantly less it would cost us to hire a Regional Minister.
- Salaries and Benefits for the Regional Office in 2018 were for employees Interim Minister John Richardson, Steve Bentley (20% allocated to the Regional Office) and Jennie Stoddart Bernard. For 2019, the only employee charged to the Regional Office is Jennie.
- Professional Services is the \$30,000 annually we pay to the General Church in Indianapolis to perform the day-to-day accounting duties, including payroll services.
- The remaining expenses are fairly self-explanatory.

Camp Christian Budget

Income

- Summer Fees include registration fees for our camp programs including CYF, Chi Rho, and our junior camps (Otter, Ribbit, Grandparents camp).
- Camp Facilities & Meals are the charges made for usage of Camp Christian by other parties, primarily other churches and groups such as the Disciples Fellowship Retreat.
- Keep the Bell Ringing and Gifts are contributions made by individuals toward Camp Christian operations, including the 1 in 1,000 campaign.
- Distributions from non-owned endowments are income from endowments that are not in our control, but which support (in part) the Christian Church in Ohio. On the Camp budget these include endowments from Walnut Hills Christian Church, Lakewood Christian Church, West Boulevard Christian Church, First Christian Church of Bucyrus and Olmstead Christian Church.
- Fundraiser income in 2018 was primarily from the “Night with Noah and Jessi” concert.

Expenses

- Salaries and Benefits charged to Camp Christian in 2018 were for employees Al and Donna Channell, and Steve Bentley (80% allocated to Camp).
- Facilities costs include electric, natural gas, water/sewer, waste management, pest control, property & liability insurance, repairs & maintenance and camp supplies.

- Depreciation is the original cost of the camp facilities, equipment and vehicles that is depreciated over their useful lives.
- Office Expenses include telephone, internet, postage, shipping, computer support, bank charges, background checks and office supplies.
- The remaining expenses are self-explanatory.

THRIVE

The statements titled THRIVE are related to the \$9000,000 Lilly Grant that we were awarded, but had to return in January 2019 because we could not support the requirements of the grant, including raising \$200,000 in matching funds. Expenses primarily related to the staff member who was serving as the Project Director. Her employment terminated in late 2018.