

## **Metropolitan Association, NY Conference, UCC**

### **STATEMENT OF FINANCIAL POSITION Report by the Finance Committee of the Board of Directors April 16, 2016**

We are pleased to present this comprehensive report of the Budget and Endowment of the Association as of April 8, 2016.

Each year, in the Fall, the Finance Committee strives to present a budget that is reflective of the needs of the Association to do ministry with our churches and also to keep our office operating to its fullest capacity. Our general unrestricted income is currently derived from two major sources: The payments received from our churches in the form of fellowship dues which is assessed according to the membership of our Association churches and an annual percentage of the Endowment which was set up many years ago to support the continuing work and operation of the Association. Restricted income is given for specific programs relating to ordination and standing, boundary awareness training and our Association meetings.

In the budget, there is a predicted income line for the total amount to be given by our member churches during the fiscal year which runs January through December. The fellowship dues amount in the budget reflects less than 50 percent of the total operating budget of the Association. The Endowment provides an additional percentage allowance to assist in the support of the budget.

As of 8, April, you can see on the pie chart attached to the fellowship dues statement, we have received a little over 60% of the current dues for 2016. You will also notice that there are a number of churches that still owe for 2015 as well. We send reminder notices each month to churches with outstanding balances, and hope that they will continue to be in covenant with the Association.

#### **When our churches respond in a timely fashion, the association is able to:**

1. Provide the administrative support needed to create new areas for the enrichment of our churches through providing resources, workshops and webinars for our member churches
2. Provide resources and support in the form of scholarships for young adults of member churches who are attending their 2<sup>nd</sup> through 4<sup>th</sup> years of academic studies.

#### **When fellowship dues are not paid:**

1. It limits the Association's ability to provide resources for churches
2. It creates a challenge to meet our regular monthly obligations.

This year, the Association is creating a new and more comprehensive web site that will provide more information about our churches and the Association programs, resources and upcoming workshops available.

The creation of a budget is an ever-evolving process to keep up with the financial climate and trends. For example, years ago, we did not have a budget line for internet technology and security, but now this is an important part of our operating budget which helps to protect our Association information from hackers.

In today's economy, we are constantly evaluating the rising costs of doing business and the ability to be able to cover those costs as we create our yearly operating budget. We know that our churches face the same challenges as they create budgets each year. 5 years ago, the total membership of our churches was 10,023. This year, the total membership number is 7,350. Just as declining membership affects many of our churches, it also affects the Association's operating budget.

During the Summer months, the Association feels the same crunch as the churches when membership giving decreases. Expenses continue, and we must be able to meet our obligations in a timely manner.

We are grateful to those churches that go beyond their fellowship dues by giving additional financial support to the Association, and we want to recognize two of our churches today: The Scarsdale Congregational Church and the Congregational Church of Spring Valley. Today we are going to give the delegates of those churches a certificate of Appreciation and gift from the Association for their continued support of our ministries. We also acknowledge Plymouth Church in downtown Brooklyn for their continued support to the Association even though they are not a UCC congregation. We are going to designate these extra mile gifts to assist us in the development of our new website.

There is a growing need for fundraising to assist in the support of the Association as we move forward in the future in partnership with our churches. We are asking all members and churches to work with us on this venture to advance the work of the Association and to support our college students who continue to face increasing costs for tuition and books. We have to be able to provide scholarships for them as we have in the past.

We have partnered with VANCO Services to provide online giving opportunities as well as a vehicle to register and pay dues and fees for meetings and workshops. If your church is interested in establishing this online giving service, VANCO is offering a special package to help you get started, and the Association will work with your church to get your online program established and operational.

#### **The Metro Association Endowment:**

Many years ago, several churches provided financial gifts to the Association to establish our endowment fund. We express our gratitude to Mr. John Beyersdorf, longtime member of Scarsdale Congregational Church. John was instrumental in helping the Association to set up the endowment and its policies, and during his years as the head of the Investment Team at Smith Barney and then Morgan Stanley until his retirement. Our current Morgan Stanley investment team, headed by Ms. Gayle Metz, has and continues to do an outstanding job with the management of our account. When they spoke at a recent meeting of the Metro Board, they spoke about the past year and the investment climate that affects all portfolios. We are pleased to report an increase of \$59,000 for the month of March due to their tireless efforts to make sure we have investments that produce and help to grow our endowment. They make buy and sell decisions on our behalf, and they keep us informed about those sales and purchases. The current balance is listed on the Balance Sheet under Assets. Our policies for the management of the endowment have been developed according to the guidelines of the New York State Attorney General and also with assistance from the endowment committee at the Plymouth Church of the Pilgrim who has several endowments in place for their church.

The Investment Team from Morgan Stanley has also provided us with a program that will afford individuals and organizations a way to donate directly to our endowment. They have worked with other churches to establish this program, and they are willing to work with us on this venture. We are hoping that contributions to the endowment and the Association will help us to once again, provide scholarships for our youth. Association churches that have endowments know the challenges faced in determining annual draw downs and the use of endowment funds to further the mission of the church. We continue to have ongoing discussion within the committee.

We have received the draft report from auditor. Our Audit is 98% complete and has met all standards and expectations of the auditor and compliance with GAAP for Non-for-Profits. Pending the verification report from Morgan Stanley of endowment balances and the checking account balance, we anticipate the final report within the next few weeks

Respectfully Submitted by  
The Finance Committee of the Metro Board