



WESTMINSTER
PRESBYTERIAN CHURCH

FINANCIAL SUPPLEMENT

TO THE 2011 ANNUAL REPORT

JOINT FINANCE COMMITTEE

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In 2011, Westminster experienced continued financial headwinds as Delaware and the rest of the country struggled to recover from the Great Recession. Westminster adopted a balanced operating budget for 2011 based on anticipated income and expenditures of \$1,559,176 and expected current year pledge receipts of \$1,154,634. Budgeted 2011 pledge receipts were equal to the pledges actually made in 2010. Early in 2011, however, it became apparent that 2011 pledges were almost \$50,000 below 2010 pledges. Joint Finance carefully monitored expenses and advised the congregation and Session of the potential shortfall.

We concluded the year with strong year-end giving and a deficit of \$20,788, or 1.33% short of our goal. Despite some unplanned maintenance expenses, overall expenses came in approximately \$7,400 below budget. Income fell short of budget by \$28,000. The 2011 budget, 2011 preliminary actual results and the 2012 budget are shown on page 3.

Fortunately, we had reserved our 2010 surplus of \$50,000 to cover any deficit experienced in 2011. We will use that surplus to cover the 2011 revenue shortfall and, as discussed below, will apply the remaining \$30,000 of surplus to help balance our 2012 operating budget. Thus, with the 2010 surplus more than offsetting the 2011 deficit, over the course of 2010 and 2011 Westminster operated with a balanced budget.

For 2012, Session has again adopted a balanced budget. Approximately \$35,000 of the budgeted income, however, will be obtained from the \$30,000 of remaining surplus from 2010 and \$5,000 of surplus funds carried over from prior years. While we are fortunate to have such funds to help sustain our current level of mission and ministry in 2012, it means that the current membership is not providing sufficient funds to support Westminster's current level of ministry. Although we could not sustain this budget approach for the long term, Joint Finance and Session believe it is a prudent short term measure pending the economy's recovery and the expected recovery of our endowment and membership support.

The highlights of the 2012 budget follow. On the income side, we budgeted 2012 pledges to remain the same as the actual 2011 pledges. The traditional 5% contribution from the unrestricted endowment will remain level in 2012. In addition, to maintain our level of benevolence spending, we are making a 5% draw of income amounting to approximately \$13,000 from two funds designated for mission. Based on recent historical experience, we expect a reduction from prior years in unpledged contributions.

On the spending side, we have budgeted staffing levels to remain the same and have included a 3% increase in staff compensation. In two of the last three years, because of economic constraints, we did not budget any increase for staff. This history and the increased demand on staff supported the increase. Contributions to the property accrual account and benevolences remain essentially flat while small decreases to certain programs have been made.

While the recession undoubtedly has had an effect on the ability and willingness of some members to pledge, it does not appear to explain the number of members who have elected not to pledge or make an identifiable financial contribution. The number of persons pledging declined in 2010 and 2011. For 2012, currently 390 persons have pledged so far compared to 437 in 2011. The average pledge for 2012 has increased to \$2,758 from \$2,606 in 2011. This means fewer people are bearing more of the responsibility for sustaining Westminster's ministry. Without additional support from the membership and with the exhaustion of prior year surpluses to subsidize future operating budgets in 2013 and beyond, Westminster may need to begin reducing staffing expenses, programs and mission vital to the life of our church and those it serves. We will need the stewardship and support of many more of our members to preserve the programs, mission and ministry Christ has called Westminster to provide.

FINANCIAL STATEMENT

Westminster Presbyterian Church Summary of Income and Expenses

INCOME	2011 BUDGET	2011 PRELIMINARY ACTUAL	2012 BUDGET
Current year pledge payments	\$ 1,154,634	\$ 1,101,237	\$ 1,142,033
Endowed pledges	16,500	29,197	25,000
Prior year pledge payments	25,000	30,561	25,000
Unpledged contributions	120,600	107,669	111,299
Other income	33,310	50,120	40,700
Transfer from Endowment Fund	184,632	184,632	200,876
Transfer from Special Purpose Funds	24,500	27,575	35,088
TOTAL INCOME	<u>\$ 1,559,176</u>	<u>\$ 1,530,991</u>	<u>\$ 1,579,996</u>
EXPENSES			
Salaries and benefits	751,182	735,261	772,789
Occupancy and maintenance	343,778	357,548	351,048
Benevolences	224,100	220,133	223,100
Programs	53,000	55,091	52,950
Christian Education	23,000	17,493	20,750
Administrative, communication and other	81,600	83,737	82,000
PCUSA assessment	40,016	40,016	34,859
Transfer to Ten Year Property Plan Fund	42,500	42,500	42,500
TOTAL EXPENSES	<u>\$ 1,559,176</u>	<u>\$ 1,551,779</u>	<u>\$ 1,579,996</u>
EXCESS OF INCOME OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ (20,788)</u>	<u>\$ -</u>

BUDGET OVERVIEW

2011 Budget Results

Actual income fell short of the budget by \$28,185 or 1.8%. Actual expenses were \$7,397 or .4% under budget.

2012 Budget

Income

Overall, the 2012 budget is \$49,005 or 3.2% more than 2011 actual income. The endowment draw contributions to the 2012 operating budget will increase \$16,244 or 8.8%. \$13,996 will come from two mission related funds: Helen Greene and Local Outreach. The budgeted 2012 current year pledge income is based on the amount pledged in 2011. The 2012 budget anticipates additional funding from special purpose funds to balance.

Expenses

Overall, expenses are budgeted to increase by \$28,217 or 1.8% more than the amount spent in 2011.

Salary and Benefits

Total staff expenses are budgeted \$37,528 or 5.1% more than 2011 actual expenditures. The increase is due to a 3% salary pool increase, increase in Program staff for 180° youth program, and increase in medical benefit expenditures offset by decrease in professional development.

Occupancy and Maintenance Costs

Maintenance and Occupancy costs are budgeted to decrease \$6,500 or 1.8% from 2011 actual.

Benevolences

Total benevolence giving from the operating budget is increased by \$2,967 or 1.3% over 2011 actual. Details of the benevolence budget can be found on page 7.

Programs

The overall budget for various areas under the heading of Programs is \$2,141 or 3.9% less than actual expenditures in 2011. Worship and Music expenditures beyond budget will be subsidized by the Worship and Music Special Purpose Funds. In 2011, these funds contributed \$3,075 to the budget for adult choral and instrumental costs.

Christian Education

Christian education expenses are budgeted \$3,257 or 18.6% more than 2011 actual expenditures.

Administrative Costs

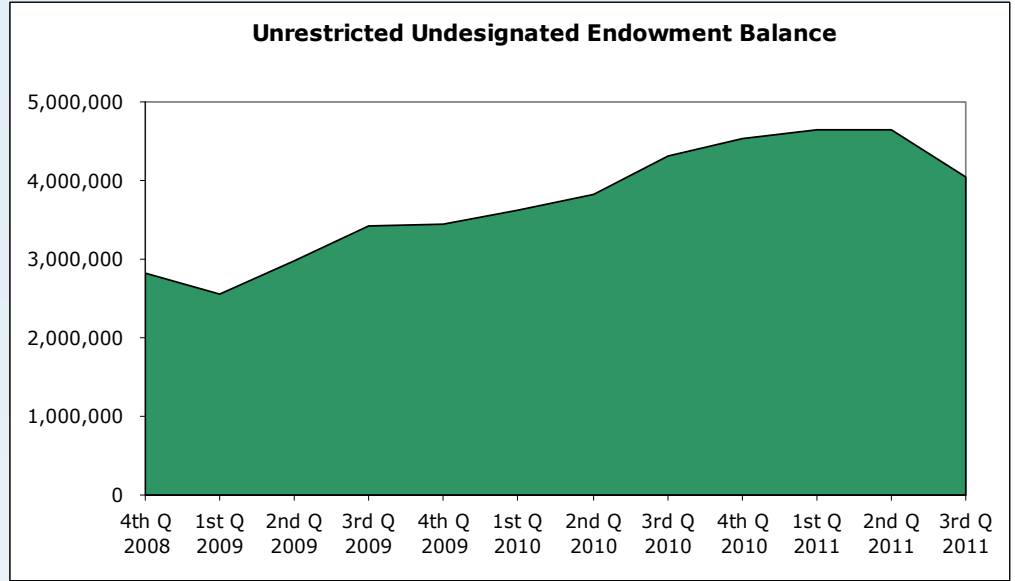
Administrative costs are budgeted to decrease by \$1,737 or 2.0% from 2011 actual.

Ten Year Property Plan Fund

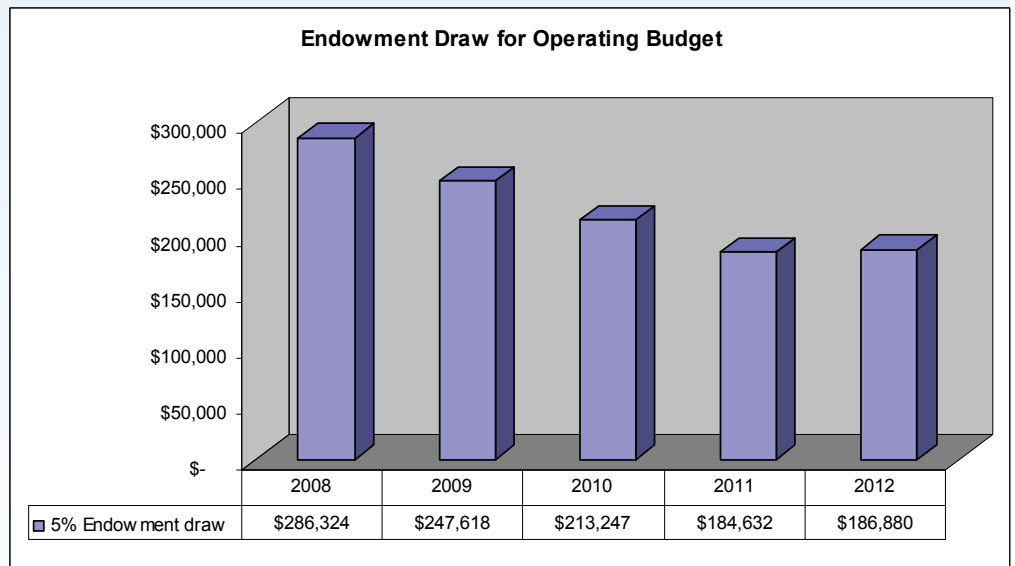
The budget for the contribution to the property fund is flat with 2011. The balance in the fund as of November 30, 2011 was \$389,524. This represents a 45% decrease over the balance at the end of 2010.

HISTORICAL UNRESTRICTED ENDOWMENT & STEWARDSHIP

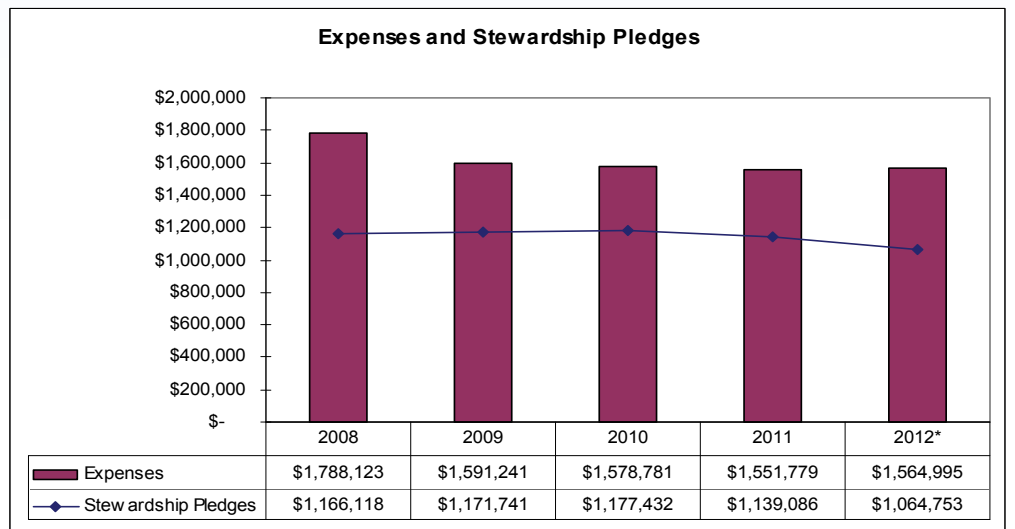
Unrestricted Undesignated Endowment Balance



Unrestricted Endowment Draw for Operating Budget



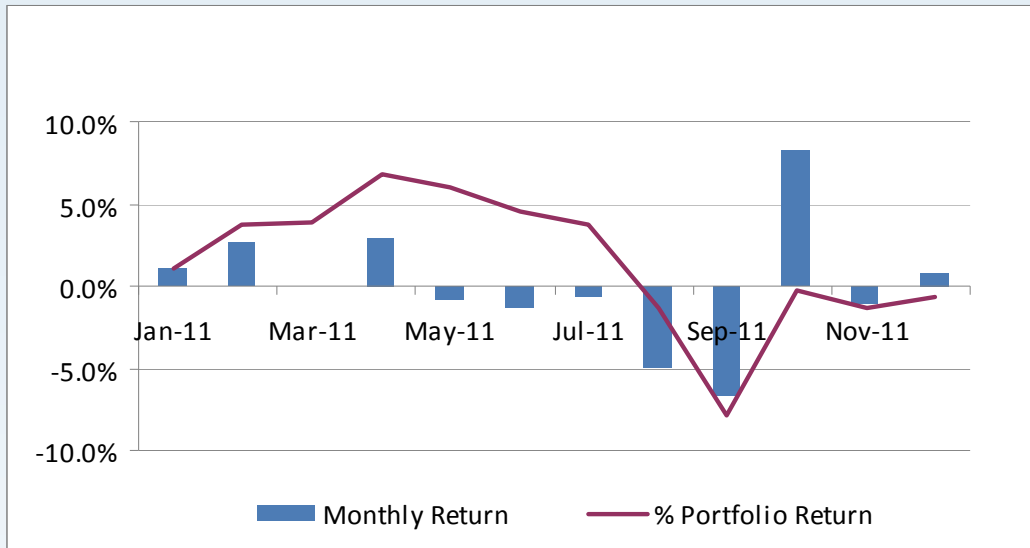
Historical Expenses and Stewardship Pledges



* Based on 2012 expense budget and pledges received as of January 14, 2012.

2011 INVESTMENT PERFORMANCE

Portfolio Performance Analysis for Year 2011



Starting Assets	\$6,533,256.50	
Deposits	\$99,381.75	1.5%
Withdrawals	\$383,199.61	5.9%
Dividends & Interest	\$201,370.73	3.1%
Fees & Charges	(\$16,255.00)	-0.2%
Income Reinvested	(\$3.94)	0.0%
Change in Value of Investments	(\$225,874.88)	-3.5%
Ending Assets	\$6,208,675.55	
Change in Value of Assets	(\$324,580.95)	-5.0%
\$ Return for the period	(\$40,759.15)	
% Portfolio Return	-0.62%	⁽¹⁾

(1) % return are cumulative monthly returns. Monthly returns are calculated adjusting monthly assets for deposits and withdrawals.

BENEVOLENCES

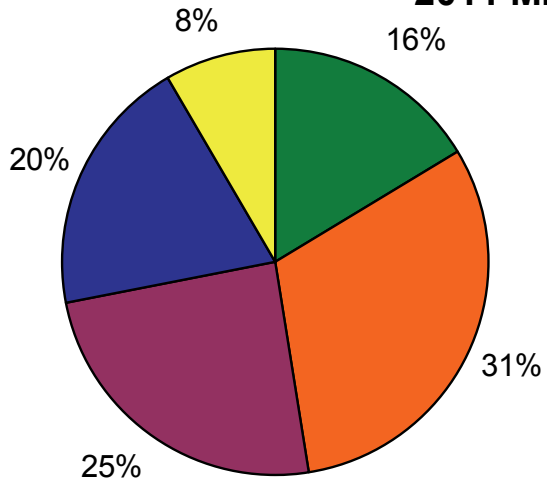
Westminster Presbyterian Church Benevolences

	2011 Budget	2011 Actual Budgeted Benevolences	2011 Additional Giving	Total	2012 Budget
Backpacks Project			3,606	3,606	
Brandywine Pastoral Fund	500	500		500	500
Burton House	12,000	12,000	250	12,250	12,000
Christmas Boxes Project	1,200	1,200	2,150	3,350	1,500
Christmas Eve Offering			28,014	28,014	
Church In The World	16,800	16,800	7,101	23,901	20,810
Covenant Network	2,500	2,500		2,500	1,250
Daughtry House	15,000	16,299		16,299	15,000
Delaware Futures	1,100	1,100		1,100	1,100
Dining for Donations			1,420	1,420	
Echo Gifts			7,115	7,115	
Emmanuel Dining Room	4,000	4,000		4,000	4,000
FAITH Center Contribution	35,000	35,000		35,000	35,000
Family Promise	5,000	5,000	2,093	7,093	5,000
Food Bank Of Delaware	1,000	1,000		1,000	1,000
Friendship House	15,000	15,000	788	15,788	16,000
General Assembly	3,000	3,000		3,000	3,000
Habitat For Humanity	10,000	10,000	585	10,585	10,000
Hanover Food Closet	4,000	4,000	690	4,690	4,000
Holy Toast			630	630	
Homeless Security	3,000	3,240		3,240	3,000
Japan Relief			5,085	5,085	
LCS Food Pantry	4,000	4,000		4,000	4,000
Meeting Ground	6,000	6,000	400	6,400	6,000
Neighborhood Administration	1,000	290		290	1,000
Neighborhood Assistance	7,000	6,916	40	6,956	7,000
New Orleans RHINO Mission Trips			2,273	2,273	
OGHS			18,850	18,850	
Presbytery	51,000	47,000		47,000	44,000
Saturday Breakfast Club	10,000	10,000	4,500	14,500	10,000
Souper Bowl of Caring			1,062	1,062	
Sojourners' Place	5,000	5,000		5,000	5,000
Scholarship Fund	5,000	5,000		5,000	5,000
Urban Mission Committee	2,000	1,288	325	1,613	1,940
Urban Promise	4,000	4,000		4,000	6,000
Women of Westminster			15,000	15,000	
Youth Mission Trips			7,490	7,490	
TOTAL 2011 BENEVOLENCES	\$ 224,100	\$ 220,133	\$ 109,467	\$ 329,600	\$ 223,100

* Additional benevolences are made possible from donations directed for specific puposes. These donations come from Session approved fundraising and unsolicited donations. Mission Trips include contributions from participants and others sources.

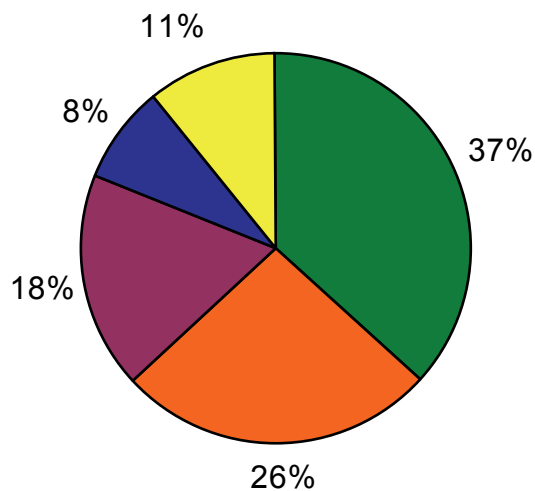
2011 MISSION SUPPORT

Church in the World 2011 Mission Support



- Africa \$12,500
- Guatemala \$23,753
- OGHS \$18,850
- Missionary Support \$15,000
- Japan Relief and Other \$6,398

Urban Mission 2011 Local Outreach



- Homelessness \$69,931
- Neighborhood Assistance \$50,354
- Hunger \$34,725
- Education \$15,506
- Housing \$20,440

2011 BALANCE SHEET

Westminster Presbyterian Church Statements of Financial Position

ASSETS

	November 30, 2011 Unaudited	December 31, 2010 Audited
<u>ASSETS</u>		
Cash and cash equivalents	\$ 410,945	\$ 591,317
Miscellaneous receivables	-	15,386
Prepaid expenses	4,256	5,167
Note Receivable	10,000	10,000
Beneficial interest in charitable trusts	69,271	69,271
Investments	6,374,231	6,997,729
Property and equipment	4,434,669	4,158,073
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TOTAL ASSETS	\$ 11,303,372	\$ 11,846,943
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LIABILITIES AND NET ASSETS

<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 60,765	\$ 28,104
Deferred income	75,573	143,148
Retiree annuity liability	35,955	57,110
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TOTAL LIABILITIES	172,292	228,362
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<u>NET ASSETS</u>		
Unrestricted		
Undesignated	4,347,361	4,348,835
Endowment	4,327,979	4,527,606
Speer II	1,152,749	1,049,051
Property Fund	389,524	708,781
Temporarily restricted	664,287	645,669
Permanently restricted	249,178	338,639
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TOTAL NET ASSETS	11,131,079	11,618,581
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TOTAL LIABILITIES AND NET ASSETS	\$ 11,303,372	\$ 11,846,943
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2012 BUDGET DETAIL

Net Current Year Pledges	\$	1,102,033
Current Year Over Pledge	\$	40,000
Endowed Pledges	\$	25,000
Prior Year Pledge Payments	\$	25,000
Total Pledged Contributions	\$	1,192,033
Contributions Unpledged	\$	89,257
Loose Plate	\$	8,782
Special Gifts -- Memorials, et	\$	13,260
Total Other Contributions	\$	111,299
Interest Operating Accts	\$	5,000
Miscellaneous Income	\$	1,700
Facilities Use Income	\$	15,000
Weddings	\$	4,000
Daughtry House Rental	\$	15,000
Total Other Income	\$	40,700
Trnsfrs-Endowment Fnds - Unrestricted	\$	186,880
Trnsfrs-Endowment Fnds - Restricted	\$	13,996
Total Endowment Fund	\$	200,876
Total Special Purpose Fund	\$	35,088
Total Income	\$	1,579,996
Salaries - Ordained Staff	\$	144,927
Salaries - Office & Clerical	\$	223,905
Salaries - Programs	\$	179,712
Housing - Ordained Staff	\$	59,080
Total Salary Expense	\$	607,624
Pastors' Pension/Death/Disabil	\$	26,786
Lay Staff Death/Disability	\$	4,571
Lay Staff Pension Contribution	\$	16,818
Social Security & Medicare	\$	30,877
Workers' Comp Insurance	\$	4,000
Staff Healthcare Benefits	\$	23,408
Pastors' Healthcare Benefits	\$	44,832
Mileage and Travel	\$	4,000
Miscellaneous Employment Expen	\$	1,873
Professional Dev. - Ordained	\$	4,000
Professional Dev. - Non Ordain	\$	4,000
Total Benefits	\$	165,165
Total Staff Expenses	\$	772,789
Salaries: Sextons	\$	113,243
Benefits: Sextons Workers Comp	\$	1,560
Benefits: Sextons Social Secur	\$	8,634
Benefits: Sextons Medical	\$	14,726
Benefits: Sextons Death/Disabi	\$	1,306
Benefits: Sextons Retirement	\$	2,914
Electric, Gas & Oil	\$	68,300
Water & Sewer	\$	8,700
Safety and Security	\$	8,500
Insurance (except Workers' Com	\$	26,000
Pest Control & Garbage	\$	5,000
Outside Cleaning Services	\$	5,200
Cleaning Supplies	\$	7,000
Grounds Maintenance	\$	23,000
Parking Space Rental	\$	3,965
Total Occupancy Expense	\$	298,048

HVAC Maintenance / Repair	\$	21,000
Building Maintenance / Repair	\$	32,000
Total Maintenance Expenses	\$	53,000
Total Benevolences (see p.8 for detail)	\$	223,100
Music - Youth and Handbell	\$	1,000
Worship Supplies	\$	1,800
Music -- Adult Choral and Inst	\$	9,350
Professional Soloist	\$	23,700
Guest Preachers	\$	500
Congregational Care & Small Gp	\$	500
Membership & Evangelism	\$	2,200
Stewardship	\$	3,000
Session Activities	\$	2,000
Deacons	\$	400
Hospitality	\$	4,000
Audio-visual Aids	\$	3,500
Congregational Life	\$	1,000
Total Programs	\$	52,950
Curriculum and Resources	\$	2,500
Supplies for CE	\$	1,500
CE Leadership	\$	1,500
Vacation Bible School	\$	250
Adult Education	\$	1,500
Special Events	\$	500
Youth Music Education	\$	2,000
180 Youth Fellowship	\$	8,250
Children's Musical	\$	2,000
Family Events (WW and KNO)	\$	750
Total Christian Ed	\$	20,750
Chimes & WWW	\$	15,000
Web Site/ Monitors	\$	6,000
Copier Expenses	\$	17,000
Paper	\$	3,500
Office Supplies	\$	5,000
Computer Maintenance	\$	7,500
Telephone & E-mail	\$	5,000
Postage	\$	6,500
Miscellaneous	\$	2,500
Advertising	\$	3,000
Audit	\$	11,000
Staff Training	\$	-
Total Administrative Expenses	\$	82,000
Total Presby Church (USA) Fees	\$	34,859
Property Fund	\$	42,500
Total Expenses	\$	1,579,996

NOTES





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