

Annual Financial Report for Western District Conference – July 3, 2024

Shari Scheffler, Business Manager

Certified public accountants of Knudsen, Monroe & Company, LLC, are in the process of auditing all financial records and reports of the Western District Conference (WDC) of Mennonite Church USA from fiscal year 2/1/2023-1/31/2024 in accordance with generally accepted auditing standards. WDC will make this report available to members upon request.

WDC records its financial activity with the use of five separate funds:

General Fund (Fund 1). This fund records the transactions of the principal budgeted ministries of WDC. It is into this fund that individual, organizational and congregational contributions go to pay for conference expenses. In the fiscal year ended January 31, 2024, the General Fund had \$532,746.58 of total income. Of this, \$321,662.41 was contributed by member congregations and individuals; \$36,271.48 was income from interest, honorariums and reimbursements; and the remaining \$174,812.69 was pulled from designated funds within the Restricted Fund (Fund 4). Of the designated funds used, \$118,378.85 came from the Bequest Fund, which was 17.5% of its year-end balance. It is standard policy that 10% of the Bequest Fund is automatically moved into the General Fund at the end of the fiscal year; but, up to 20% can be transferred to cover General Fund expenses with approval of the Executive Board. Initially the 17.5% of the Bequest Fund was thought to balance out the expenses for the year; however, after some further accounting transactions to close out the 2500 Place Fund and redistribute some of the expenses related to insurance, the General Fund was left with a net deficit of \$5,733.00 for the fiscal year; but, had total assets of \$97,744.07 and \$7,991.34 in liabilities owed.

2500 Place Fund (Fund 2). This fund was closed at the end of the fiscal year ending January 31, 2024. It operated separately from the General Fund and included all transactions related to the office and retail building known as “2500 Place” owned by the conference in North Newton, KS. As noted in last year’s financial report for Assembly, WDC sold the building in July of 2023. WDC now leases a reduced square footage of our previous space from G5 Investments, LLC. The sales proceeds from the building were used to pay off 2500 Place liabilities and expenses, with the remaining \$420,844.38 being moved into a designated fund held at Everence Trust Company (now part of Restricted Fund - Fund 4).

Revolving Fund (Fund 3). This fund operates separately, is governed by the Trustees Task Force under the Stewardship Commission, and is used to loan money -- primarily to finance church buildings for member congregations and for capital improvements on conference property. In the fiscal year ending January 31, 2024, the Revolving Fund collected a total of \$9,987.06 of interest income on four loans. At year end, total assets of the Revolving Fund were \$556,431.25, and only \$27,561.15 of that was money owed from outstanding loans.

Restricted Fund (Fund 4). This fund is comprised of monies designated for specific purposes, sometimes referred to as the General Fund Restricted Accounts. It contains both WDC-designated and donor-designated funds. These accounts are used to record grants and other restricted monies received or designated, and track transactions from these funds. These funds are each assigned to either the Executive Board or one of the Commissions for oversight. The overseeing body has the ability to determine the use of the funds in accordance with restrictions set forth by the donor(s), or at their discretion in regards to WDC-designated funds. At the end of the fiscal year, the Restricted Fund had total assets of \$1,872,851.36.

General Plant Fund (Fund 5). This fund records the value of all physical assets (such as buildings, equipment and land) less accumulated depreciation. These numbers are calculated with the assistance of the Certified Public Accountants during the annual financial audit.

General Fund (Fund 1) Balance Sheet

January 31, 2024

ASSETS

Union State Bank Checking	\$77,694.07	
Union State Money Market	\$20,000.00	
Petty Cash	\$50.00	
Total Assets		\$97,744.07

LIABILITIES & EQUITY

Current Liabilities

Credit Card payable	\$1,353.68	
Federal Payroll Tax Payable	\$2,251.42	
State Withholding Tax Payable	\$326.30	
Health Insurance Payable	(28.08)	
Vehicle Loan Payable to Rev. Fund 3	\$4,088.02	
Total Liabilities		\$7,991.34

Equity

Operating Fund Current Balance	\$89,752.73	
Total Equity		\$89,752.73
Total Liabilities & Equity		\$97,744.07

General Fund Income Statement

February 1, 2023 to January 31, 2024

Income

	Actual 2023	Budget 2023		Actual 2023	Budget 2023
1 Contributions	\$ 316,487.41	\$ 405,400	8 Restricted - Income from Bequest Fund	\$ 118,378.85	64,000
2 Honorariums/Refunds/Reimbursements	\$ 15,279.76	20,000	9 Restricted - Staff Benefits	\$ 7,200.00	7,200
3 Interest/Market Adjustment	\$ 20,991.72	7,000	10 Restricted - Subsidy for FDC staff salary	\$ 6,668.00	-
4 SUBTOTAL UNDESIGNATED INCOME	\$ 352,758.89	\$ 432,399.75	11 Restricted - Subsidy for office rent	\$ 11,904.00	-
			12 Restricted - Translation & Interpretation (SC 8)	\$ 2,307.66	1,050
			13 Restricted - Resource Commission (RC 9)	\$ 4,000.00	4,000
			14 Restricted - Paul's Bequest Interest (CP 11)	\$ 721.67	1,000
5 Resource Library Contributions (RC)	\$ 500.00	-	15 Restricted - Church plant grant funds (CP 8-9)	\$ 19,500.00	15,000
6 Church Plant Contributions (CP)	\$ 4,675.00	36,000	16 Restricted - Seminary Scholarships (ML 9)	\$ 3,132.51	3,000
7 SUBTOTAL DESIGNATED INCOME	\$ 5,175.00	\$ 36,000.00	17 Restricted - Other	\$ 1,000.00	-
			18 SUBTOTAL RESTRICTED FUNDS transferred in	\$ 174,812.69	\$ 95,250
			19 Total Income	\$ 532,746.58	\$ 563,650

Expenses

	Actual	Budget		Actual	Budget
Executive Board (EB)			Resource Commission (RC)		
1 EB - Staff* (I 9,10)	\$ 47,019.58	\$46,005	1 RC - Staff* (I 9,10)	\$ 88,641.70	\$86,949
2 EB - Staff Travel	\$ 1,895.45	1,500	2 RC - Staff Travel	\$ 2,840.51	1,500
3 EB - Office Expense	\$ 2,591.40	3,500	3 RC - Office Expense	\$ 5,320.77	7,000
4 EB - Office Expense Rent* (I 11)	\$ 1,490.40	-	4 RC - Office Expense Rent* (I 11)	\$ 2,980.80	-
5 EB - Board Exp	\$ -	1,000	5 RC - Commission Exp	\$ -	200
6 EB - Sabbatical Fund***	\$ 120.00	120	6 RC - Sabbatical Fund***	\$ 187.44	188
7 EB - Building repair loan	\$ 251.50	604	7 RC - Building repair loan	\$ 502.95	1,207
8 EB - CLC Exp	\$ 925.04	1,000	8 RC - Mennonite Archives	\$ 3,000.00	3,000
9 EB - MC USA Delegates***	\$ 2,499.96	2,500	9 RC - Library*,** (I 5,13)	\$ 5,598.79	7,000
10 EB - Reference Council	\$ -	500	10 RC - Music & Worship	\$ -	250
11 Executive Total	\$ 56,793.33	\$ 56,729	11 RC - Youth North	\$ 361.98	1,000
			12 RC - Youth South	\$ -	1,000
			13 Resource Total	\$ 109,434.94	\$ 109,294
Ministerial Leadership Commission (ML)			Stewardship Commission (SC)		
1 ML - Staff* (I 9,10)	\$ 158,784.51	\$155,660	1 SC - Staff* (I 9,10)	\$ 42,277.38	\$37,675
2 ML - Staff Travel	\$ 7,728.58	10,000	2 SC - Staff Travel	\$ 654.76	500
3 ML - Office Expense	\$ 10,365.52	14,000	3 SC - Office Expense	\$ 4,937.73	7,000
4 ML - Office Expense Rent* (I 11)	\$ 5,961.60	-	4 SC - Office Expense Rent* (I 11)	\$ 2,980.80	-
5 ML - Commission Exp	\$ -	750	5 SC - Commission Exp	\$ -	400
6 ML - Sabbatical Fund***	\$ 459.96	460	6 SC - Sabbatical Fund***	\$ 39.96	40
7 ML - Building repair loan	\$ 1,005.90	2,414	7 SC - Building repair loan	\$ 502.95	1,207
8 ML - Ministerial Credential	\$ 552.90	750	8 SC - Communications (I 12)	\$ 2,307.66	2,500
9 ML - Seminary Scholarships** (I 16)	\$ 3,132.51	3,000	9 SC - Insurance	\$ 15,177.24	12,000
10 ML - Meetings & workshops	\$ 1,162.00	1,500	10 SC - Audit	\$ 8,100.00	7,900
11 Ministerial Leadership Total	\$ 189,153.48	\$ 188,534	11 Stewardship Total	\$ 76,978.48	\$ 69,222
Church Planting Commission (CP)			Notations		
1 CP - Staff* (I 9,10)	\$ 69,722.23	\$64,575	* WDC-designated funds help with this expense		
2 CP - Staff Travel	\$ 2,171.04	5,000	** Donor-designated funds exist for helping with this expense		
3 CP - Office Expense	\$ 2,315.39	3,500	*** Goes to building up restricted funds		
4 CP - Office Expense Rent* (I 11)	\$ 1,490.40	-			
5 CP - Commission Exp	\$ -	500			
6 CP - Sabbatical Fund***	\$ 192.60	192			
7 CP - Building repair loan	\$ 251.50	604			
8 CP - Auxiliary support person* (I 15)	\$ 8,500.00	12,000			
9 CP - Special events* (I 15)	\$ 9,516.19	12,500			
10 CP - Resource Development	\$ -	5,000			
11 CP - Plant Support** (I 14)	\$ 12,000.00	36,000			
12 Church Planting Total	\$ 106,159.35	\$ 139,871			

Total Expenses \$ 538,519.58 \$ 563,650

Net Income (Deficit) \$ (5,773.00)

2500 Place (Fund 2) Balance Sheet

January 31, 2024

ASSETS

Current Assets

	Total Assets	<u>\$0.00</u>
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LIABILITIES & EQUITY

Current Liabilities

	Total Liabilities	\$0.00
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Equity

	Total Equity	<u>\$0.00</u>
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	Total Liabilities & Equity	<u>\$0.00</u>
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2500 Place Income Statement

February 1, 2023 to January 31, 2024

Income

Utility Refunds	\$6,466.48
Rental Income	\$18,959.74
Market Adjustment/Interest	\$243.50
Funds from WDC for loan	\$2,514.80
Sale of 2500 Place	<u>\$463,032.13</u>

	Total Income	<u>\$491,216.65</u>
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Expenses

Insurance	\$7,736.97
Salary Expense	\$2,800.00
Payroll Tax Expense	\$214.20
Property Tax	\$0.00
Repairs & Maintenance	\$22,774.90
Services	\$4,072.05
Utilities	\$8,274.12
Supplies	\$283.94
Interest expense	\$578.98
Renovations	<u>\$10,628.17</u>

	Total Expenses	<u>\$57,363.33</u>
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	Net Income (Deficit)	<u>\$433,853.32</u>
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Revolving Fund (Fund 3) Balance Sheet

January 31, 2024

ASSETS

Current Assets

Union State Money Market	\$261,269.10	
Praxis	\$21,657.45	
Intrust Bank CD	\$79,655.33	
Cetera Investment	\$166,288.22	
Total Current Assets		\$528,870.10

Other Assets - LOANS

Mennonite Church of the Servant	\$0.00	
Camp Mennoscah - kitchen	\$23,473.13	
WDC 2500 Place Fund 2	\$0.00	
WDC General Fund 1 -- conference vehicle	\$4,088.02	
Total Other Assets		\$27,561.15

Total Assets **\$556,431.25**

LIABILITIES & EQUITY

Current Liabilities

Total Liabilities \$0.00

Equity

Retained Earnings	\$556,431.25	
Total Equity		<u>\$556,431.25</u>

Total Liabilities & Equity **\$556,431.25**

Restricted Fund (Fund 4) Balance Sheet

January 31, 2024

ASSETS

Union State Bank Checking	\$3,974.20	
Everence Acct x0116	\$970,597.29	
Everence Resource Commission Acct x3880	\$91,943.47	
Cetera Investment	\$430,006.94	
Intrust Bank CD	\$28,790.05	
Union State Money Market	\$223,574.28	
Union State Bank CD	\$123,965.13	
TOTAL ASSETS		\$1,872,851.36

LIABILITIES & EQUITY**LIABILITIES**

Credit Card payable	\$1,044.81	
TOTAL LIABILITIES		\$1,044.81

EQUITY

Building Relationship Event Grant	\$2,000.00
Translation Ministry Grant (Interpretation)	\$2,016.85

Executive Board (EB)

Hope Fund	\$967.65
Bequest Fund	\$556,645.94
Annual Assembly	\$2,142.10
Assembly Contributions	\$1,374.37
MC USA Bi-Annual Mtg travel	\$3,271.60
Dismantling Racism grant funds	\$435.50
Proceeds from Sale of 2500 Place	\$413,902.51
	<u>\$978,739.67</u>

Ministerial Leadership Commission (ML)

KS Leadership Center	\$2,562.44
Seminary Scholarship Fund	\$324.19
Sabbatical Fund (Vision 2012)	\$3,390.15
WDWM Scholarship (Permanent)	\$34,733.22
WDWM Scholarship Earned	\$0.00
Koontz Scholarship Earned	\$60,007.55
Sabbatical Fund (Transitional Ministers)	\$19,997.54
Goertz Scholarship (permenent)	\$6,517.13
Goertz Scholarship earned	\$897.99
Pastor Assistance Fund	\$10,120.66
Lilly Endowment Matching Fund	\$2,325.00
Ministerial Resourcing Events	\$9,600.17
Congregational Development	\$10,263.46
KIPCOR Consultation Fund	\$263.05
Hope Funds for Minister Counseling	\$0.00
	<u>\$161,002.55</u>

Western District Conference

Resource Commission (RC)

TX Urban Youth Grant	\$2,611.34
Low German Health Fund	\$397,300.20
Resource Com Investment Fund	\$75,466.09
Library Endowment	\$10,000.00
Library Endowment Interest	\$5,371.30
Spanish book grant	\$2,401.93
Bundle of Books	\$1,741.15
Library Vision 2012	\$40,425.14
Detectives of Divinity	\$0.00
Immigration Task Force	\$0.00
Youth Camping/Service Grant	\$1,029.00
Youth - Leadership Training	\$1,750.41
Youth - Jr/Sr High Events	\$2,411.86
Youth - Scholarships	\$843.47
Resource Commission Workshops	\$2,545.93
Mustard Seed grants	\$2,000.00
Justice Fund grant Israel Palestine Task force	\$0.00
Resource Grant for Tareq's expenses	\$0.00
	<u>\$545,897.82</u>

Stewardship Commission (SC)

Oklahoma Oil lease	\$6,302.86
Equipment fund	\$2,761.53
Translation Fund (grant)	\$298.69
Translation Fund	\$3,000.00
Conference Minister Sabbatical Coverage Fund	\$33,867.21
Staff study leave	\$3,075.62
Restricted Funds - staff benefits	\$6,711.00
Vehicle Fund	\$0.00
	<u>\$56,016.91</u>

Church Planting Commission (CP)

Texas Convention	\$2,020.04
Church Plant Development Grant	\$5,232.94
Pauls' Bequest (Permanent)	\$96,042.00
Pauls' Interest Earned	\$0.00
Restricted Church Planting	\$20,337.77
CPC strategic plan grant funds	\$2,500.00
Church Planting events	\$0.00
	<u>\$126,132.75</u>

TOTAL EQUITY \$1,871,806.55

TOTAL LIABILITIES & EQUITY \$1,872,851.36