

**CLASSIS CALIFORNIA SOUTH
of the
CHRISTIAN REFORMED CHURCH**

**FINANCIAL STATEMENTS & REPORT
for
January 1 - December 31, 2014**

**by
David De Koekkoek, Treasurer**

Explanatory Notes to 2014 Financial Statements

May 12, 2015

1. Attached are the following financial statements:
 - a. Comparative Balance Sheet as of December 2014 and December 2013
 - b. Income & Expense Statement for 2014 compared with the budget and prior year
 - c. A Summary of Fund Balances for 2014
 - d. A Summary of Funds Received by Church for 2014
2. For the year, Classis had an overall gain of \$12,964.00; the first gain in 7 years. Income was c. \$760 more than budgeted; expenses were c. \$16,604 less than budgeted. This is a dramatic turn-around from 2013.
3. 2013 was the first year Classis began collecting and forwarding denominational shares. This was done so that churches had a single ministry share payment to make and a single point of payment. Also, reminder notices were sent out monthly to all churches. Several churches opted to continue sending denominational shares directly to the denomination. We did not discover all of these churches until 2014, which resulted in some allocation errors for 2012 and 2013. (See item 6 below.) We now have a way to send out notices easily without causing the accounting difficulties we encountered in 2013.
4. In late 2014, we began mailing a Classis Brochure with the ministry share notices. The executive team would appreciate any suggestions regarding the brochure to make it a more effective communication.
5. One student loan repayment was completed in 2014. There are no other repayments currently being made.
6. Several errors in the amount of ministry shares sent to the denomination for 2012 and 2013 were discovered during 2014. At the same time we discovered a small discrepancy in the fund allocations for 2013. The combined corrections to the fund balances are listed as "Prior Year Adjustments" on the fund summary sheet.
7. The West Coast Church Resource expense account has been replaced by the Classical Mission Leader account.
8. The format of the Income Statement has been changed to reflect the three main activities of classis—Administrative (15% of total expenses), Student Support (12% of total expenses) and Programs and Missions (73% of total expenses). These changes were made to simplify and clarify expense categories. In prior years there were 7 categories, and some programs were intermingled with administrative expenses.

Specific questions can be forwarded to me at 909-467-5433 or at dave@ddktax.com.

Respectfully submitted,



David De Koekkoek
Treasurer

Classis California South
Balance Sheet with Previous Year Comparison

As of December 31, 2014

Accrual Basis

	Dec 31, 14	Dec 31, 13	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Checking	52,976.94	20,651.59	32,325.35
Savings	111,442.24	110,998.21	444.03
Total Checking/Savings	164,419.18	131,649.80	32,769.38
Accounts Receivable			
Accounts Receivable	-	7,500.00	(7,500.00)
Shares Receivable	28,569.56	15,827.81	12,741.75
Note Receivable	100,000.00	100,000.00	-
Total Other Current Assets	128,569.56	123,327.81	5,241.75
Other Assets			
1705 · Loan Receivable Yung Kwang LV	22,430.96	22,430.96	-
1706 · Loan - Hope Community	55,904.87	59,420.39	(3,515.52)
Total Other Assets	78,335.83	81,851.35	(3,515.52)
TOTAL ASSETS	371,324.57	336,828.96	34,495.61
LIABILITIES & EQUITY			
Liabilities			
Shares Payable	33,458.24	9,289.79	24,168.45
Equity			
General Fund	5,699.75	5,699.75	-
Church Loan Fund	273,416.80	268,223.47	5,193.33
Student Fund	21,260.66	23,999.98	(2,739.32)
Church Development Fund	28,471.27	24,612.64	3,858.63
Classical Operating Fund	6,362.87	5,003.33	1,359.54
Home Missions Fund	2,086.05	-	2,086.05
Mission Leader Fund	568.93	-	568.93
Total Equity	337,866.33	327,539.17	10,327.16
TOTAL LIABILITIES & EQUITY	371,324.57	336,828.96	34,495.61

Classis California South
Income Statement Budget vs. Actual & Prior Year
January through December 2014

	<u>Jan - Dec 14</u> <u>Actual</u>	<u>2014</u> <u>Budget</u>	<u>Variance</u>	<u>Jan - Dec 13</u> <u>Actual</u>	<u>\$ Change</u>
Ordinary Income/Expense					
Income					
Classical Shares					
Shares for Classical Expense	12,899.75	13,000.00	-100.25	7,225.02	5,674.73
Shares for Home Missions	36,112.23	36,000.00	112.23	20,703.76	15,408.47
Shares for Student Fund	5,221.33	5,000.00	221.33	5,729.13	-507.80
Shares for New Church Dev	4,619.65	4,500.00	119.65	3,984.11	635.54
Shares for Mission Leader	5,117.65	5,000.00	117.65	8,659.72	-3,542.07
Total Classical Shares	<u>63,970.61</u>	<u>63,500.00</u>	<u>470.61</u>	<u>46,301.74</u>	<u>17,668.87</u>
Denominational Shares Received	202,358.79			230,871.08	-28,512.29
Denominational Shares Paid	-202,358.79			-230,871.08	28,512.29
Total Denominational Shares	-				0.00
Student Fund Repayments	1,000.00	2,000.00	-1,000.00	2,400.00	-1,400.00
General Fund Interest	0.00	0.00		0.00	0.00
Loan Fund Interest	3,889.43	2,600.00	1,289.43	4,080.75	-191.32
Other Income	0.00	0.00		0.00	0.00
Total Other Income	<u>4,889.43</u>	<u>4,600.00</u>	<u>289.43</u>	<u>6,480.75</u>	<u>-1,591.32</u>
Total Income	<u>68,860.04</u>	<u>68,100.00</u>	<u>760.04</u>	<u>52,782.49</u>	<u>16,077.55</u>
Expense					
Classis Operating Expenses					
Liability Insurance	207.50	400.00	-192.50	207.03	0.47
Meeting Expenses	274.16	500.00	-225.84	304.05	-29.89
Clerk Honorarium	3,600.00	3,600.00	0.00	3,600.00	0.00
Clerk Expenses	342.00	400.00	-58.00	342.00	0.00
Treasurer Honorarium	3,600.00	3,600.00	0.00	3,600.00	0.00
Treasurer Expenses	190.00	200.00	-10.00	115.00	75.00
Committee Expenses	0.00	400.00	-400.00	321.39	-321.39
Race Relations	0.00	0.00	0.00	0.00	0.00
Celebration - Biannual	0.00	500.00	-500.00	0.00	0.00
Regional Pastor Exp - SPE	0.00	400.00	-400.00	0.00	0.00
Total Classis Operating Expenses	<u>8,213.66</u>	<u>10,000.00</u>	<u>-1,786.34</u>	<u>8,489.47</u>	<u>-275.81</u>
Student Fund Support	6,500.00	8,000.00	-1,500.00	3,400.00	3,100.00
Programs and Missions					
Committee Expenses	0.00	300.00	-300.00	0.00	0.00
Leadership Conference	0.00	1,200.00	-1,200.00	1,341.00	-1,341.00
Leadership Training Scholarship	1,000.00	500.00	500.00	0.00	1,000.00
Ministry Assistance	3,600.00	9,000.00	-5,400.00	9,050.00	-5,450.00
Camp Dunamis	3,000.00	3,000.00	0.00	3,000.00	0.00
Evangelist Training Program	15,228.00	11,500.00	3,728.00	14,899.00	329.00
Hispanic Ministries Development	16,000.00	16,000.00	0.00	15,699.96	300.04
New Church Development	0.00	8,000.00	-8,000.00	4,000.00	-4,000.00
West Coast Church Resources	2,354.38	5,000.00	-2,645.62	15,000.00	-12,645.62
Total Programs and Missions	<u>41,182.38</u>	<u>54,500.00</u>	<u>-13,317.62</u>	<u>62,989.96</u>	<u>-21,807.58</u>
Total Expense	<u>55,896.04</u>	<u>72,500.00</u>	<u>-16,603.96</u>	<u>74,879.43</u>	<u>-18,983.39</u>
Net Ordinary Income	<u><u>12,964.00</u></u>	<u><u>-4,400.00</u></u>	<u><u>17,364.00</u></u>	<u><u>-22,096.94</u></u>	<u><u>35,060.94</u></u>

Classis California South Fund Summary

January through December 2014

	General	Classis Operating	Student	Loan	Home Missions	Church Development	WCCR / Mission Leader	Total
Beginning Fund Balance	\$ 5,699.75	\$ 5,003.33	\$ 23,999.98	\$ 268,223.47	\$ -	\$ 24,612.64	\$ (0.00)	\$ 327,539.17
Income								
Classical Shares		13,096.35	5,037.06	-	36,266.80	4,533.35	5,037.05	63,970.61
Regional Pastor								-
Student Fund Repay			1,000.00					1,000.00
Interest/Other		-		3,889.43				3,889.43
Total Income	-	13,096.35	6,037.06	3,889.43	36,266.80	4,533.35	5,037.05	68,860.04
Expenses								
Budgeted	-	8,213.66	7,500.00	-	33,161.33	-	4,021.05	52,896.04
		3,000.00						3,000.00
Total Expenses	-	11,213.66	7,500.00	-	33,161.33	-	4,021.05	55,896.04
Net Change to Fund Balance	\$ -	\$ 1,882.69	\$ (1,462.94)	\$ 3,889.43	\$ 3,105.47	\$ 4,533.35	\$ 1,016.00	\$ 12,964.00
Prior Year Adjustments*		\$ (523.15)	\$ (1,276.38)	\$ 1,303.90	\$ (1,019.42)	\$ (674.72)	\$ (447.07)	(2,636.84)
Ending Fund Balance	\$ 5,699.75	\$ 6,362.87	\$ 21,260.66	\$ 273,416.80	\$ 2,086.05	\$ 28,471.27	\$ 568.93	\$ 337,866.33

* Adjustments were made due to corrections to 2012 and 2013 ministry share allocations and resulting transfers from the Loan Fund.

Classis California South
Summary of Funds Received by Church
 January through December 2014
 Accrual Basis

City	Church	%	Members per Yearbook	Classical Share Base Members*	Budgeted Amount**	Amount Received in 2014	% of 2014 Budget		Amount Received in 2013	
							2014	2013	2013	Budget
1	Las Vegas	42	52	22	958	182	19%	-	0%	
2	Chino	100	522	522	22,890	18,069	79%	18,144	82%	
3	San Marcos	100	161	161	7,060	5,961	84%	6,775	100%	
4	Fullerton	41	50	21	899	-	0%	-	0%	
5	Tustin	41	50	21	899	-	0%	-	0%	
6	West Covina	46	62	29	1,251	2,592	207%	-	0%	
7	Las Vegas	37	34	13	552	322	58%	291	29%	
8	La Puente	82	150	123	5,394	-	0%	-	0%	
9	Riverside	62	102	63	2,773	2,476	89%	984	41%	
10	San Marcos	44	58	26	1,119	1,400	125%	-	-	
11	Fontana	45	60	27	1,184	280	24%	-	-	
12	Orange	43	55	24	1,037	600	58%	600	64%	
13	Westminster	100	237	237	10,392	1,456	14%	1,488	15%	
14	Moreno Valley	82	150	123	5,394	2,894	54%	3,133	54%	
15	Fullerton	100	200	200	8,770	291	3%	198	2%	
16	Redlands	100	474	474	20,785	25,913	125%	13,092	62%	
17	San Diego	50	73	37	1,601	1,533	96%	1,533	99%	
18	San Diego	39	45	18	770	-	0%	32	4%	
19	Las Vegas	23	6	1	61	-	0%	31	48%	
Total					92,828	63,971	69%	46,302	50%	
Per Member Amount for 2014					43.85					

* Churches with less than 200 members are eligible for a reduced share percentage based on the number of members.

** Budgeted amount is based number of members times the per member share amount of \$43.85