

The Presbytery of Denver
Financial Statements
June 30, 2010

**Presbytery of Denver
Statement of Financial Position
June 30, 2010**

<u>ASSETS</u>		June	May
Current assets			
Cash and cash equivalents		\$ 220,261	\$ 146,067
Receivables, prepaids, and other		<u>61,950</u>	<u>228,110</u>
Total current assets		<u>282,211</u>	<u>374,178</u>
Property and equipment at Grant Street			
Accumulated depreciation		<u>1,893,232</u>	<u>1,893,232</u>
		<u>473,287</u>	<u>466,936</u>
Net property and equipment		<u>1,419,945</u>	<u>1,426,296</u>
Other assets			
Shared equity agreement		<u>113,050</u>	<u>113,050</u>
Providence church property, net of depreciation		<u>598,889</u>	<u>602,728</u>
Valverde church property, net of depreciation		<u>538,203</u>	<u>540,141</u>
Permanent funds at Presbyterian Foundation		<u>63,982</u>	<u>63,982</u>
Investments:			
CDs at PILP, UBS	1.4% currently	282,050	281,700
Equities - large stock	14.6% for the last 12 months	649,231	703,664
Equities - small stock	32.7% for the last 12 months	187,379	181,992
Equities - international stock	15.5% for the last 12 months	<u>263,709</u>	<u>271,806</u>
	Cash and debt: 31% Equities 69%	<u>1,382,369</u>	<u>1,439,162</u>
Total other assets		<u>2,696,493</u>	<u>2,759,063</u>
		<u>\$ 4,398,649</u>	<u>\$ 4,559,537</u>

LIABILITIES AND NET ASSETS

Current liabilities		\$ (372)	\$ 65,423
Net assets			
Unrestricted			
Designated for Long-Term Initiatives		637,883	640,380
Undesignated		4,019,592	4,017,095
Current year net		<u>(552,405)</u>	<u>(454,456)</u>
		4,105,070	4,203,019
Temporarily restricted			
		229,968	227,112
Permanently restricted			
		<u>63,982</u>	<u>63,982</u>
Total net assets		<u>4,399,020</u>	<u>4,494,114</u>
		<u>\$ 4,398,649</u>	<u>\$ 4,559,537</u>

Presbytery of Denver
Summary Statement of Activity
Six Months Ended June 30, 2010
50.0%

	<u>Unrestricted</u>		<u>Restricted</u>	Annual Budget	Pct of Annual Budget
	Month <u>Actual</u>	YTD <u>Actual</u>	YTD <u>Actual</u>		
Revenue:					
Colorado Trust revenue	\$ 91,000	\$ 543,108		\$ 1,030,000	53%
Per capita revenue - net of \$163,000/year	21,411	91,088		137,000	66%
Investment income /(loss)	(56,219)	(77,051)		95,000	-81%
Other revenue	<u>2,720</u>	<u>15,799</u>	<u>66,890</u>	<u>19,000</u>	<u>83%</u>
	<u>58,912</u>	<u>572,943</u>	<u>66,890</u>	<u>1,281,000</u>	<u>45%</u>
Restrictions released:					
Mission	8,940	54,794	(54,794)	150,000	37%
Other		<u>16,789</u>	<u>(16,789)</u>	<u>44,000</u>	<u>38%</u>
	<u>8,940</u>	<u>71,583</u>	<u>(71,583)</u>	<u>194,000</u>	<u>37%</u>
Total revenue	<u>67,852</u>	<u>644,526</u>	<u>(4,693)</u>	<u>1,475,000</u>	<u>44%</u>
Expenses:					
New church development					
Racial/Ethnic Ministries Coordinator	7,635	45,006		87,290	52%
Iglesia de Valverde	6,708	37,298		86,710	43%
Threshold fellowship	4,500	4,500		9,000	50%
Thornton fellowship	2,382	15,980		30,000	53%
All Africa fellowship	6,497	46,635		80,000	58%
Vietnamese fellowship	954	4,848		15,000	32%
Other - Grace land purchase		150,000		229,000	66%
Aurora Southlands initiative	<u>1,320</u>	<u>3,637</u>		<u>125,000</u>	<u>3%</u>
	<u>29,995</u>	<u>307,905</u>		<u>662,000</u>	<u>47%</u>
Congregational assistance:					
Sabbatical fund		2,250		50,000	5%
Leadership				20,000	
Providence - depreciation	3,839	23,034		46,068	50%
Grants					
Hanmi	6,000	29,000		65,000	45%
Korean Central	1,600	11,200		19,200	58%
St. James		30,000		30,000	100%
Green Mountain	10,000	20,000		10,000	
Trinity		16,000		16,000	100%
Covenant				19,000	
Good Shepherd	2,000	12,000		23,577	51%
Mission-Shaped Church Covenant Comm.		13,570		13,570	100%
St. Paul Presbyterian	10,000	155,000		28,500	544%
Green Mountain - boiler replacement		41,500		41,500	100%
Glacier Presbytery		27,000		27,000	100%
Other emergency/contingency	<u>27,000</u>	<u>30,509</u>		<u>(415)</u>	
	<u>60,439</u>	<u>411,062</u>		<u>409,000</u>	<u>101%</u>
Building management expenses	18,944	112,656		251,200	45%
Administration expenses	11,325	72,546		131,800	55%
Ecclesiastical expenses	18,533	79,813		201,500	40%
Leadership and ministry expenses	17,626	158,155		323,500	49%
Mission	<u>8,940</u>	<u>54,794</u>		<u>150,000</u>	<u>37%</u>
Total expenses	<u>165,801</u>	<u>1,196,930</u>		<u>2,129,000</u>	<u>56%</u>
Net excess of revenue over expense	<u>\$ (97,949)</u>	<u>\$ (552,405)</u>	<u>(4,693)</u>	<u>\$ (654,000)</u>	<u>84%</u>

**Presbytery of Denver
Net Asset Transactions
Six Months Ended June 30, 2010**

	Balance, <u>12-31-09</u>		Additions	<u>Released from the Fund</u>		Balance, <u>06-30-10</u>
		C = by Council D = by donors		Prior	This Month	
Designated Net Assets:						
Long Term Initiatives	\$ 352,009	C	826,668			
New church development				\$ 57,631	\$ 14,332	
Congregational assistance				480,666	(11,835)	\$ 637,883
	<u>\$ 352,009</u>		<u>826,668</u>	<u>538,297</u>	<u>\$ 2,497</u>	<u>\$ 637,883</u>
 Temporarily restricted net assets:						
Mission	\$ 57,054	D	39,707			
Mission partnerships, CCs		C	13,570	\$ 45,854	\$ 8,940	\$ 55,537
New Church Development	25,000					25,000
Feasibility Study Capital Drive	49,588					49,588
First Pastor Group	483					483
Jackson Miller Christian Educ.	47,174			2,274		44,900
Peacemaking	7,358	D	214			7,572
Special Needs	7,492	D	3,142			10,634
Zimbabwe Leadership	7,754					7,754
Minority Scholarship Funds	27,758	D	10,258	14,515		23,501
Vietnamese Fellowship	5,000					5,000
	<u>\$ 234,661</u>		<u>\$ 66,890</u>	<u>62,643</u>	<u>\$ 8,940</u>	<u>\$ 229,968</u>
 Permanently restricted net assets:						
Nolan charitable remainder trust	\$ 52,396					\$ 52,396
Hudspeth Ward HIV endowment	6,248					6,248
Christian Education endowment	5,338					5,338
	<u>\$ 63,982</u>					<u>\$ 63,982</u>
 Unrestricted net assets						 \$ 4,019,592
 Current year net						 \$ (552,405)
 Total			 \$ 893,558	 600,940	 11,437	 \$ 4,399,020

Presbytery of Denver
 Commentary
 June 30, 2010

The Presbytery sustained a \$97,949 loss for the month, \$56,219 of that total coming from poor results in our investment portfolio.

Looking at financial results at the half-way point in the year, the bottom line is well past the half-way mark: a 552K loss compared to our budget expectation for the year of 654K. The reasons are: (1) investment returns were expected to be a modest return of 47K through June, yet we have experienced a 77K loss so far; (2) although operating expenses are about 30K less than our pro-rata budget, the LTI section is 719K as opposed to a pro-rata budget through June of 536K, a difference of 184K. This overrun comes largely from the 150K disbursement to Grace church and 155K to St. Paul church. Finally, the revenue captions other than investment return are running 53K ahead of budget, so in summary:

	(\$000 omitted)
Pro-rata budgeted loss through six months: $654 \times 6/12 =$	(327)
Overrun in revenue accounts	53
Underrun in investment returns	(124)
Overrun in LTI expenditures	(184)
Underrun in operating expenses	<u>30</u>
Excess of expenses over revenues for the six months ended June 30, 2010	<u><u>(552)</u></u>

Our cash position has changed during these six months, as follows:

Cash balance at	December 31, 2009		\$ 444,550
Change in net assets through June 30, 2010		\$	(557,097)
Adjust for items not requiring or (not providing) cash:			
Depreciation	\$ 70,778		
Unrealized loss on investments	<u>82,525</u>		
			153,303
Changes in:			
Receivables, prepaids, and other	7,577		
Payables and accruals	<u>(3,072)</u>		
			<u>4,506</u>
Cash used in operations			(399,289)
Cash used in investing activities			
Purchase of CDs	<u>11,000</u>		
			(11,000)
Cash provided by financing activities			
Sale of exchange-traded funds	<u>186,000</u>		
			<u>186,000</u>
Cash at June 30, 2010		\$	<u><u>220,261</u></u>