

## **Kettle Moraine United Presbyterian Church**

### **Treasurer's Report January 2017**

Beginning in January 2016, we began using PowerChurch Plus (PCP), an on-line software service for churches. PCP accounting components is a true full accounting system.

Yearend financial statements are often confusing because it can contain more information than is normally seen in previous periods. The following should help understand the Income Statement and Balance Sheet:

#### **Income Statement**

Income;

- Unrestricted income was better than plan by \$1060 for December. The weekly amount averaged \$2419
- Income listed under DONOR RESTRICTED-Other Special Restricted for \$2707 includes \$1750 received for Pavilion Rental (boats) and is a pass-through to the PW and \$867 that was sent to the Milwaukee Medical Mission. The balance of \$90 was for the Angel Tree
- PCP has a feature to help track restricted donations such as designated gifts for memorial mission funds. As these funds are disbursed, the funds are released from their restricted classification. You will see these release transactions in the income statement titled RELEASE FROM RESTRICTIONS.
  - Memorial-B\_Pfeiffer. Funds received for Bruce Pfeiffer's Memorial were offered to KMUPC for general expenses.
  - Youth Fund. Used to paint and erect the wall in the youth room
  - Mission-Undesignated, Receipts without specific designation other than "Mission"
  - Other – Special. These funds include the \$1750 and \$867 mentioned above for Donor Restricted Income and the rest were items are from not correctly releasing them when the disbursements were made (my learning curve for PowerChurch!) These include monies received for Rev Jerry Kreamer's parting gift; the payment to BASICS;

RELEASED FROM RESTRICTION is the offsetting entry PSP makes to balance the accounts.

Expenses;

- Administrative Expense – Misc is the payment made to PW for the Pavilion rental
- Payment to PCUSA for PerCapita is recorded in December, as well as other Mission expenses.
- Under Mission – Benevolence, \$6250 is comprised of the recording of the payment of \$668 made to BASICS earlier this year, \$867 paid to the Milwaukee Medical Mission from the Cookie Walk proceeds, and \$4714 that represents 5% of the total 2016 unrestricted income Session has designated for 2016 benevolence.

Net income for December was a loss of \$2674. Taking into consideration the amounts booked for Mission at year's end, our income would have been represented as positive \$2040.

Net income for the year was a loss of \$3064.

### **Balance Sheet Detail.**

Because the account setup is slightly different from the prior QuickBooks system, I had to manually merge 2015 detail with this year's accounts.

#### Assets;

- The main item to point out is the receipts of Cemetery receipts of \$4008.
- Payroll liabilities are higher because in 2016, we handled Pastor Lee's taxes. Going forward, the pastor will be managing his own tax liabilities.

#### Liabilities;

- The significant changes are related to adjusting and/or closing out existing equity accounts that held funds received for Mission and Memorial accounts. The amounts are represented in the Income Statement in the RELEASE FROM RESTRICTIONS section

One other item on the balance sheet to point out is the lack of any change in the Dayton Memorial account. Unlike the previous five (or more) where we had withdrawn funds to cover expenses including year-end mission disbursements, we were able to meet all expenses and our checking and savings account actually increased by \$1039.

Finally, compared to Balance Sheet reports from QuickBooks, PCP's report does not report "Retained Earnings". PCP is designed for non-profit organizations so the change in overall income is reported on the balance sheet as "Unrestricted Net Assets". Because we essentially started with a new organization when we created a new Fund System in PowerChurch, the Net Assets of -\$2593 represents an overall loss in 2016.

I have submitted a request to PowerChurch for clarification from why the year-end income statement indicates a total loss of \$3064 which is \$468 different from the Net Assets on the Balance Sheet. I will report their response.

Respectfully submitted  
Scott Meyer.