

**Christian Church (Disciples of Christ) Central Rocky Mountain Region
Financial Statements
With
Independent Auditor's Report
As of and for the Years Ended
December 31, 2013 and 2012**

Christian Church (Disciples of Christ) Central Rocky Mountain Region

Table of Contents

Independent Auditor's Report	1
Statements of Financial Position	
Year ended December 31, 2013	2
Year ended December 31, 2012	3
Statements of Activities	
Year ended December 31, 2013	4
Year ended December 31, 2012	5
Statements of Cash Flows	
Year ended December 31, 2013	6
Year ended December 31, 2012	7
Statements of Functional Expenses	
Year ended December 31, 2013	8
Year ended December 31, 2012	9
Notes to Financial Statements	10
Supplemental information:	
General Fund, Details of Support, Revenues and Expenses	16
Evangelism Fund, Details of Support, Revenues and Expenses	17
Ministry Fund, Details of Support, Revenues and Expenses	18

Paul L. Smith, P.C.
Certified Public Accountant
3801 E. Florida, #604
Denver, Colorado 80210
Phone: (303) 759-3862, Fax: (303) 782-9214

Independent Auditor's Report

Board of Directors
Christian Church (Disciples of Christ) Central Rocky Mountain Region
Denver, Colorado

I have audited the accompanying statements of financial position of Christian Church (Disciples of Christ), Central Rocky Mountain Region (a nonprofit corporation) as of December 31, 2013 and 2012 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Christian Church (Disciples of Christ), Central Rocky Mountain Region's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Christian Church (Disciples of Christ) Central Rocky Mountain Region's internal control over financial reporting. Accordingly, I express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Church (Disciples of Christ) Central Rocky Mountain Region as of December 31, 2013 and 2012 and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying schedules is presented only for supplementary analysis purposes and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Paul L. Smith, P.C.
Denver, Colorado
March 12, 2015

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Statement of Financial Position
December 31, 2013

	Assets			Total 2013
	General Fund	Evangelism Fund	Ministry Fund	
Cash and cash equivalents	\$ 99,556	\$ 139,257	\$ 39,061	\$ 277,873
Contributions receivable	22,637	-	-	22,637
Prepaid expenses	-	-	1,852	1,852
Investment in mutual funds	1,000	-	-	1,000
Short-term portion of mortgage receivable	-	56,396	-	56,396
	<u>123,193</u>	<u>195,653</u>	<u>40,913</u>	<u>359,759</u>
Land, building and equipment, net	-	276,962	-	276,962
Long-term portion of mortgage receivable	-	313,264	-	313,264
Total assets	<u><u>\$ 123,193</u></u>	<u><u>\$ 785,878</u></u>	<u><u>\$ 40,913</u></u>	<u><u>\$ 949,984</u></u>

Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 3,413	\$ -	\$ 436	\$ 3,848
Short-term portion of mortgage payable	-	56,396	-	56,396
	<u>3,413</u>	<u>56,396</u>	<u>436</u>	<u>60,244</u>
Long-term portion of mortgage payable	-	313,264	-	313,264
Total liabilities	<u>3,413</u>	<u>369,660</u>	<u>436</u>	<u>373,508</u>
Net assets:				
Unrestricted	108,067	-	40,477	148,543
Temporarily restricted	11,714	416,219	-	427,933
Total net assets	<u>119,781</u>	<u>416,219</u>	<u>40,477</u>	<u>576,476</u>
Total liabilities and net assets	<u><u>\$ 123,193</u></u>	<u><u>\$ 785,878</u></u>	<u><u>\$ 40,913</u></u>	<u><u>\$ 949,984</u></u>

The accompanying notes are an integral part of these financial statements.

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Statement of Financial Position
December 31, 2012

	<u>Assets</u>			Total 2012
	General Fund	Evangelism Fund	Ministry Fund	
Cash and cash equivalents	\$ 79,701	\$ 131,642	\$ 11,239	\$ 222,582
Contributions receivable	61,983	-	2,401	64,384
Prepaid expenses	-	-	12,073	12,073
Investment in mutual funds	1,512	-	-	1,512
Short-term portion of Mortgage Receivable	-	57,790	-	57,790
Total current assets	<u>143,196</u>	<u>189,432</u>	<u>25,713</u>	<u>358,341</u>
Land, building and equipment, net	398	285,590	-	285,988
Long-term portion of Mortgage receivable	-	366,442	-	366,442
Total assets	<u><u>\$ 143,594</u></u>	<u><u>\$ 841,464</u></u>	<u><u>\$ 25,713</u></u>	<u><u>\$ 1,010,771</u></u>

Liabilities and Net Assets

Accounts and payroll taxes payable	\$ 3,406	\$ -	\$ 288	\$ 3,694
Short term portion of mortgage payable	-	57,790	-	57,790
	<u>3,406</u>	<u>57,790</u>	<u>288</u>	<u>61,484</u>
Long-term portion of mortgage payable	-	366,442	-	366,442
Total liabilities	<u>3,406</u>	<u>424,232</u>	<u>288</u>	<u>427,926</u>
Net assets:				
Unrestricted	131,815	-	25,425	157,240
Temporarily restricted	8,373	417,232	-	425,605
Total net assets	<u>140,188</u>	<u>417,232</u>	<u>25,425</u>	<u>582,845</u>
Total liabilities and net assets	<u><u>\$ 143,594</u></u>	<u><u>\$ 841,464</u></u>	<u><u>\$ 25,713</u></u>	<u><u>\$ 1,010,771</u></u>

The accompanying notes are an integral part of these financial statements.

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Statement of Activities
Year Ended December 31, 2013

	<u>General Fund</u>		<u>Evangelism Fund</u>		<u>Ministry Fund</u>	<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	
Revenues, gains, and other support:						
General Support	\$ 218,575	\$ 3,469	\$ -	\$ 31,989	\$ 15,496	\$ 269,530
Program services	-	-	-	-	80,673	80,673
Interest income	-	-	-	21,853	4	21,856
Investment gains/losses	121	-	-	-	-	121
Net assets released from restrictions	3,469	(3,469)	55,291	(55,291)	-	-
	<u>222,165</u>	<u>-</u>	<u>55,291</u>	<u>(1,449.21)</u>	<u>96,172</u>	<u>372,179</u>
Expenses:						
General fund costs	219,720	-	-	-	-	219,720
Ministry fund costs	-	-	-	-	103,537	103,537
Evangelism fund costs	-	-	55,291	-	-	55,291
	<u>219,720</u>	<u>-</u>	<u>55,291</u>	<u>-</u>	<u>103,537</u>	<u>378,549</u>
Change in net assets	2,445	-	-	(1,449)	(7,365)	(6,369)
Transfer of net assets	(22,852)	-	-	436	22,416	-
Net assets at beginning of year	<u>140,188</u>	<u>-</u>	<u>-</u>	<u>417,232</u>	<u>25,425</u>	<u>582,845</u>
Net assets at end of year	<u>\$ 119,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,219</u>	<u>\$ 40,477</u>	<u>\$576,476</u>

The accompanying notes are an integral part of these financial statements.

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Statement of Activities
Year Ended December 31, 2012

	<u>General Fund</u>		<u>Ministry Fund</u>	<u>Evangelism Fund</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	
Revenues, gains, and other support:						
General Support	\$ 288,193		\$ 14,828	\$ -	\$ 32,382	\$ 335,404
Program services	-	-	98,602	-	-	98,602
Interest income	-	-	4	-	24,962	24,966
Investment gains/losses	53	-	-	-	-	53
Rental income	-	-	-	-	-	-
Net assets released from restrictions		-	-	52,811	(52,811)	-
	<u>288,247</u>	<u>-</u>	<u>113,434</u>	<u>52,811</u>	<u>4,533</u>	<u>459,025</u>
Expenses:						
General fund costs	220,556	-	-	-	-	220,556
Ministry fund costs	-	-	117,503	-	-	117,503
Evangelism fund costs	-	-	-	52,811	-	52,811
	<u>220,556</u>	<u>-</u>	<u>117,503</u>	<u>52,811</u>	<u>-</u>	<u>390,869</u>
Change in net assets	67,691	-	(4,069)	-	4,533	68,155
Transfer of net assets	(21,980)	-	22,440	-	(460)	-
Net assets at beginning of year	<u>94,476</u>	<u>-</u>	<u>7,055</u>	<u>-</u>	<u>413,159</u>	<u>514,690</u>
Net assets at end of year	<u>\$ 140,187</u>	<u>\$ -</u>	<u>\$ 25,426</u>	<u>\$ -</u>	<u>\$ 417,232</u>	<u>\$ 582,845</u>

The accompanying notes are an integral part of these financial statements.

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Statement of Cash Flows
Year Ended December 31, 2013

	<u>General Fund</u>	<u>Evangelism Fund</u>	<u>Ministry Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Change in net assets, increase (decrease)	\$ 2,445	\$ (1,449)	\$ (7,365)	\$ (6,369)
Adjustments to reconcile change in assets to net cash provided by operating activities:				
Depreciation	398	8,628	-	9,026
Change in accounts receivable	39,346	-	2,401	41,747
Change in short-term investments	512	-	-	512
Change in prepaid expenses	-	-	10,222	10,222
Change in accounts & payroll taxes payable	6	1	148	155
Net cash provided by operating activities	42,707	7,180	5,406	55,293
Investing Activities				
Collections on mortgage receivable	-	47,618	-	47,618
Net investing activities	-	47,618	-	47,618
Financing Activities				
Repayment of long-term debt	-	(47,618)	-	(47,618)
Transfers of fund balances	(22,852)	436	22,416	-
Net financing activities	(22,852)	(47,182)	22,416	(47,618)
Net change in cash and cash equivalents	19,855	7,616	27,822	55,293
Cash & cash equivalents at beginning of period	79,701	131,642	11,239	222,581
Cash & cash equivalents at end of year	<u>\$ 99,556</u>	<u>\$ 139,257</u>	<u>\$ 39,061</u>	<u>\$ 277,873</u>
Supplemental data:				
Non-cash investing and financing activities	\$ -	\$ -	\$ -	
Interest paid	\$ -	\$ -	\$ -	

The accompanying notes are an integral part of the financial statements.

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Statement of Cash Flows
Year Ended December 31, 2012

	<u>General Fund</u>	<u>Evangelism Fund</u>	<u>Ministry Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Change in net assets, increase (decrease)	\$ 67,691	\$ 4,533	\$ (4,069)	\$ 68,155
Adjustments to reconcile change in assets to net cash provided by operating activities:				
Depreciation	4,662	8,623	-	13,285
Amortization of donated office facilities		-	-	-
Change in accounts receivable	(30,033)	4,758	(2,401)	(27,675)
Change in short-term investments	(1,025)	-	-	(1,025)
Change in prepaid expenses	-	-	(12,073)	(12,073)
Change in accounts & payroll taxes payable	1,851	-	287	2,138
Net cash provided by operating activities	43,146	17,915	(18,256)	42,805
Investing Activities				
Collections on mortgage receivable	-	50,173	-	50,173
Net investing activities	-	50,173	-	50,173
Financing Activities				
Repayment of long-term debt	-	(50,173)	-	(50,173)
Transfers of fund balances	(21,980)	(460)	22,440	-
Net financing activities	(21,980)	(50,633)	22,440	(50,173)
Net change in cash & cash equivalents	21,166	17,455	4,184	42,805
Cash & cash equivalents at beginning of period	58,535	114,187	7,055	179,777
Cash & cash equivalents at end of year	\$ 79,701	\$ 131,642	\$ 11,239	\$ 222,582
Supplemental data:				
Non-cash investing and financing activities	\$ -	\$ -	\$ -	\$ -
Interest paid	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Statement of Functional Expenses
Year Ended December 31, 2013

	General Fund	Ministry Fund	Evangelism Fund	2013 Total
Salaries	\$ 123,215	\$ 19,241	\$ -	\$ 142,456
Pension contributions	8,781	-	-	8,781
Employee insurance	4,500	3,250	-	7,750
Payroll taxes	4,082	-	-	4,082
	<u>141,152</u>	<u>22,491</u>	<u>-</u>	<u>163,643</u>
Audit	4,200	-	-	4,200
Direct program expenses	-	77,912	-	77,912
Dues & memberships	1,999	-	-	1,999
Depreciation	398	-	8,628	9,026
Equipment rental & maintenance	1,996	-	-	1,996
Insurance	2,990	-	-	2,990
IT related	10,519	-	-	10,519
Occupancy	11,400	-	-	11,400
Office	1,692	-	-	1,692
Other	1,022	1,537	-	2,559
Postage & printing	761	-	-	761
Professional fees	1,753	-	-	1,753
Staff travel	13,414	1,597	-	15,011
Telephone & Internet	1,877	-	-	1,877
Treasury charges	1,792	-	-	1,792
Outreach:				
Anti-Racism Pro-Reconciliation	894	-	-	894
Colorado Council of Churches	3,750	-	-	3,750
General Assembly	1,679	-	-	1,679
Global Ministry	1,851	-	-	1,851
Resource Team	5,431	-	-	5,431
Wyoming Church Coalition	500	-	-	500
Week of Compassion	8,650	-	-	8,650
Other Costs				
Interest expense	-	-	21,853	21,853
Bethany Church	-	-	610	610
Transformation	-	-	200	200
New Church Establishment	-	-	24,000	24,000
	<u>\$ 219,720</u>	<u>\$ 103,537</u>	<u>\$ 55,291</u>	<u>\$ 378,549</u>

The accompanying notes are an integral part of these financial statements.

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Statement of Functional Expenses
Year Ended December 31, 2012

	General Fund	Ministry Fund	Evangelism Fund	2012 Total
Salaries	\$ 118,679	\$ 18,478	\$ -	\$ 137,157
Pension contributions	9,164	-	-	9,164
Employee insurance	6,000	3,000	-	9,000
Payroll taxes	4,405	-	-	4,405
	<u>138,249</u>	<u>21,478</u>	<u>-</u>	<u>159,726</u>
Audit	12,200	-	-	12,200
Direct program expenses	-	92,193	-	92,193
Dues & Memberships	1,802	-	-	1,802
Depreciation	4,662	-	8,623	13,285
Equipment rental & maintenance	2,522	-	-	2,522
Insurance	4,805	-	-	4,805
IT related	6,699	-	-	6,699
Occupancy	10,687	-	-	10,687
Office	1,066	-	-	1,066
Other	8,395	1,949	-	10,344
Postage & printing	680	-	-	680
Professional fees	1,679	-	-	1,679
Staff travel	15,778	1,883	-	17,661
Telephone & Internet	2,190	-	-	2,190
Treasury charges	2,219	-	-	2,219
Outreach:				
Anti-Racism Pro-Reconciliation	175	-	-	175
Colorado Council of Churches	4,000	-	-	4,000
Global Ministry	1,300	-	-	1,300
Wyoming Church Coalition	700	-	-	700
Week of Compassion	750	-	-	750
Other Costs:				
Interest expense	-	-	24,926	24,926
Transformation	-	-	3,040	3,040
New Church Establishment	-	-	15,865	15,865
Visioning Team	-	-	357	357
	<u>\$ 220,556</u>	<u>\$ 117,503</u>	<u>\$ 52,811</u>	<u>\$ 390,869</u>

The accompanying notes are an integral part of these financial statements.

**Christian Church (Disciples of Christ) Central Rocky Mountain Region
Notes to Financial Statements**

Note 1 Organization, Operations and Summary of Significant Accounting Policies

a) Organization

Christian Church (Disciples of Christ) Central Rocky Mountain Region (CRMR) is a Colorado Non-profit corporation established in 1988 conducting regional management, operational and fund raising activities under the auspices of the Christian Church (Disciples of Christ). A summary of CRMR's significant accounting policies is as follows:

- b) This summary of significant accounting policies of Christian Church (Disciples of Christ) Central Rocky Mountain Region is presented to assist in understanding the CRMR's financial statements. The financial statements and notes are representations of CRMR's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Fund Accounting

To assist in the accounting for the limitations and restrictions placed on resources available to CRMR, the accounts of the organization are maintained in accordance with the principles of fund accounting. Under fund accounting procedures, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. Accordingly, all financial transactions have been recorded and reported by fund group.

- General Funds represent the portion of Funds that are available for support of operations.
- Evangelism Funds are restricted for new and ongoing church development activities.
- Ministry Funds represent funds associated with sponsored programs.

c) Basis of Accounting

The financial statements are prepared based upon generally accepted accounting principles for nonprofit entities. Accordingly, they have been prepared on the accrual basis and reflect all significant receivables, payables and other liabilities. Fees for services are recognized as they are earned and unrestricted donations are recognized when received. Temporarily restricted grant funds are recognized as increases in temporarily restricted net assets and then transferred to unrestricted net assets as the terms of the restrictions are satisfied. CRMR has not received any permanently restricted donations.

The policies followed comply with U.S. generally accepted accounting principles and accordingly, the financial statements report information regarding its financial position and activities separately by three classes of net assets.

Unrestricted net assets - net assets currently available at the discretion of the Board for the use in the Organization's operations.

**Christian Church (Disciples of Christ) Central Rocky Mountain Region
Notes to Financial Statements**

Temporarily restricted net assets - net assets which are stipulated by donors or grantors for specific operating purposes or future periods. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - net assets which are to be maintained by the organization in perpetuity. CRMR has no permanently restricted net assets.

d) Revenue Recognition

All support and revenue are considered to be available for unrestricted use unless specifically restricted by the donor. At its discretion, the Board of Directors may designate funds for specific purposes. Revenue is recognized on the accrual basis.

e) Capitalization of Fixed Assets and Depreciation

CRMR capitalizes property and equipment purchases over \$5,000, as well as donations of property and equipment with estimated fair market values exceeding \$5,000 at the date of the donation. Lesser amounts are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which is five years for office furniture and equipment and 30 years for buildings.

f) Allowance for uncollectible accounts and pledges receivables

CRMR has not had uncollectible accounts, grants and pledges in prior periods and based upon management's evaluation of outstanding balances has determined not to establish an allowance for uncollectible amounts.

g) Estimates

The preparation of the CRMR's financial statements in conformity with generally accepted accounting principles requires the CRMR's management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

h) Cash and cash equivalents

For the purpose of balance sheet classification and the statements of cash flows, CRMR considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Notes to Financial Statements

i) Short-term investments

Investments in equity securities are reported at fair value. Fair values are primarily determined based upon quoted market prices or other market inputs. Interest and dividends on short-term investments are included in operating income. All other investment income, including realized and unrealized gains and losses on short-term investments, is reported as non-operating gains and losses. Historically, the source of short-term investments have been from donors and are owned by CRMR for a limited time period, generally less than one week.

j) Financial Instruments

The carrying value of financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, notes receivable and notes payable as reported in the accompanying financial statements of financial position, approximate fair value.

k) Concentrations of Credit Risk

CRMR has a significant investment in a mortgage receivable and is, therefore, subject to concentration of credit risk. The mortgage is being amortized according to its terms and is secured by a first mortgage on a church property. However, church property is not commonly considered to be a liquid asset compared to other forms of developed real estate.

l) Income Taxes

CRMR is exempt from Federal and State income taxation on its exempt purpose income under the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements as there was no unrelated taxable income in the years ended December 31, 2013 and 2012. Management does not believe the Organization has any material uncertain tax positions requiring disclosure.

m) Functional cost allocations

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Expenses are recorded according to the purpose to which they relate, such as a specific program or support service. Costs that are not identifiable with a specific function have been allocated among the appropriate programs and supporting services benefited.

Note 2 Mortgage Receivable

In 1999, CRMR executed a note payable with the Heart of the Rockies Christian Church, Ft. Collins, Colorado as co-signor, to facilitate construction of Heart of the Rockies Christian Church Facilities. Payments on the mortgage note are made directly to the mortgage holder by Heart of the Rockies Christian Church.

**Christian Church (Disciples of Christ) Central Rocky Mountain Region
Notes to Financial Statements**

The mortgage documents provide that CRMR is the primary obligor under the mortgage and CRMR has a secured property interest asset in the mortgage property. Accordingly, CRMR has recorded the mortgage payable and mortgage receivable and recognizes the interest earned on the receivable and interest expense on the obligation which are like

The mortgage amount, interest rate and due dates of the mortgage receivable are the same as the terms of the mortgage payable as described in Note 4.

Note 3 Land, Buildings, and Equipment

Land, buildings and equipment consist of the following for the respective year ends respectively:

	<u>2013</u>	<u>2012</u>
Land	\$ 233,853	\$ 233,853
Buildings	258,690	258,690
Office Furniture	55,009	55,009
Vehicle	21,528	21,528
	<u>569,080</u>	<u>569,080</u>
Accumulated Depreciation	(292,118)	(283,092)
Book value	<u>\$ 276,962</u>	<u>\$ 285,988</u>

Note 4 Mortgage Loan Payable

CRMR signed a note payable in 1999, with Heart of the Rockies Christian Church, Fort Collins, Colorado as co-signor, to facilitate construction of Heart of the Rockies Christian Church facilities. The land the church is on is owned by CRMR. CRMR has a secured deed of trust interest in the property.

	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Note payable to the Board of Church Extension of Disciples of Christ, Inc., secured by land and building; interest at 5.5% per annum through November 1, 2016, with monthly payments of \$6,258, due August 2019 with co-signed by Heart of The Rockies Christian Church.	\$ 369,660	\$ 424,232
Less current portion	(56,396)	(57,790)
Long-term portion	<u>\$ 313,264</u>	<u>\$ 366,442</u>

The lender reconsiders the interest rate on a periodic basis. Effective November 1, 2011 the rate was changed to 5.5%.

**Christian Church (Disciples of Christ) Central Rocky Mountain Region
Notes to Financial Statements**

Amounts due under the note for the following five years are as follows:

2014	\$	56,396
2015		59,348
2016		62,695
2017		66,232
2018		69,968
Thereafter		55,021
		\$ 369,660

Note 5 Lease agreement

During 2006, CRMR entered to a five year office lease agreement ending June 2011 for approximately 1,500 square feet of office space from the Colorado Christian Home for \$1 per year and the payment of a pro rata share of the utilities. The lease continued on a month to month basis and in September 2012, the lease was extended for a period of 3 years at \$950 per month. Rent expense of \$11,400 and \$10,687 has been recognized for the years ended December 31, 2013 and 2012, respectively.

Remaining amounts due under the lease are as follows:

Year ended December 31,

2014	\$	11,400
2015		8,550
		\$ 19,950

Note 6 Temporarily Restricted Net Assets

CRMR has received certain grants and gifts that are temporarily restricted to a certain use or must be utilized during a specific time frame. The following represents the components of the temporarily restricted fund balance.

<u>Description of restriction</u>	<u>2013</u>	<u>2012</u>
Restricted to use in future periods		
Reconciliation	\$ 11,714	\$ 8,373
Evangelism and new church development	416,219	417,232
Total temporarily net assets	\$ 427,933	\$ 425,605

Note 7 Related Party Transactions

CRMR provides various services to member congregations of Christian Church (Disciples of Christ) in the Rocky Mountain Region. In this region, congregations are provided pastoral support, assistance in fulfilling clergy positions with various congregations, assistance with church growth and evangelism support.

**Christian Church (Disciples of Christ) Central Rocky Mountain Region
Notes to Financial Statements**

While CRMR is a separate legal entity, its relationships with the member congregations in the Rocky Mountain Region as well as various national entities of Christian Church (Disciples of Christ) including OGMP-Treasury Services and Board of Church Extension of Disciples of Christ, Inc. have the characteristics of related party transactions under Generally Accepted Accounting Principles. Accordingly, these transactions may have characteristics that do not represent arms length transactions which typically represent the relationship of most entities.

Accordingly, support and revenue recognized for the years ended December 31, 2013 and 2012 in the amounts of \$372,059 and \$458,972 are associated with Church membership and affiliated entities.

Interest expense of \$21,853 and \$24,926 was paid on the related party mortgage payable for the years ending December 31, 2013 and 2012, respectively.

Note 8 **Subsequent events**

Generally accepted accounting principals require management to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Organization's financial statements were available to be issued on March 12, 2015 and this is the date through which subsequent events were evaluated. The Organization did not identify any subsequent events requiring disclosure.

Supplemental Information

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Supplementary Information
General Fund
Details of Support, Revenue and Expenses
Years Ended December 31, 2013 & 2012

Support and Revenues:	<u>2013</u>	<u>2012</u>
Basic Mission Finance	\$ 103,705	\$ 108,128
Christmas Offering	25,563	41,783
The CRMR Foundation	35,714	33,919
Christian Church Foundation	7,680	7,052
General Fund	29,213	91,162
Week of Compassion	8,650	-
Gifts/Annual Fund	500	38
Reconciliation	2,934	4,253
CRMR Metro District	2,273	-
Valley Heights Church Sale	3,813	-
Boundary Training	600	-
Mission Works	500	-
Other Revenue	900	1,860
Investment gains losses	121	53
	<u>222,165</u>	<u>288,247</u>
Staff Costs		
Salaries	123,215	118,679
Pension contributions	8,781	9,164
Employee insurance	4,500	6,000
Payroll taxes	4,082	4,405
Continuing education	575	-
Contract personnel	-	-
	<u>141,152</u>	<u>138,249</u>
Other Costs		
Audit	4,200	12,200
Dues & Memberships	1,999	1,802
Depreciation	398	4,662
Equipment rental & maintenance	1,996	2,522
Insurance	2,990	4,805
IT related	10,519	6,699
Occupancy	11,400	10,687
Office	1,692	1,066
Other	1,022	8,395
Postage & printing	761	680
Professional fees	1,753	1,679
Staff travel	13,414	15,778
Telephone & Internet	1,877	2,190
Treasury charges	1,792	2,219
	<u>55,812</u>	<u>75,383</u>
Outreach Expenses		
Anti-Racism Pro-Reconciliation	894	175
Colorado Council of Churches	3,750	4,000
General Assembly	1,679	-
Global Ministry	1,851	1,300
Resource Team	5,431	-
Wyoming Church Coalition	500	700
Week of Compassion	8,650	750
	<u>22,756</u>	<u>6,925</u>
Total expenses	<u>219,720</u>	<u>220,556</u>
Change in Net Assets, Increase (Decrease)	<u>\$ 2,445</u>	<u>\$ 67,691</u>

**Christian Church (Disciples of Christ) Central Rocky Mountain Region
 Supplementary Information
 Evangelism Fund
 Details of Support, Revenue and Expenses
 Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Support and Revenues:		
CRMR Foundation	\$ 16,090	\$ 15,389
CRMR Foundation transformation	9,956	9,519
New Church contributions	300	3,311
CFC Pentecost	5,610	4,164
Interest income	21,886	24,962
	<u>53,842</u>	<u>57,344</u>
Other Costs		
Depreciation	8,628	8,623
Interest expense	21,853	24,926
Pentecost expenses	610	-
Transformation	200	3,040
New Church Establishment	24,000	15,865
Visioning Team	-	357
	<u>55,291</u>	<u>52,811</u>
Change in Net Assets, Increase (Decrease)	<u>\$ (1,449)</u>	<u>\$ 4,533</u>

Christian Church (Disciples of Christ) Central Rocky Mountain Region
Supplementary Information
Ministry Fund
Details of Support, Revenue and Expenses
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Support and Revenues		
Mid Winter registration	\$ 14,055	\$ 15,100
CYF registration	18,410	23,140
Chi Rho registration	23,235	21,620
Junior registration	16,520	15,365
Fall Institute	1,730	2,670
Discovery registration	2,585	3,557
Men's Retreat registration	3,428	3,915
Spring Feast	-	9,535
Wilderness backpacking	-	2,450
Mission event	710	600
Clergy convocation	-	650
CRMR Foundation	3,885	3,720
Offering income	1,444	-
Contributions & other	10,167	11,108
Interest income	4	4
	<u>96,172</u>	<u>113,434</u>
Staff Costs		
Salaries	19,241	18,478
Employee insurance	3,250	3,000
Payroll taxes	-	-
	<u>22,491</u>	<u>21,478</u>
Other Costs		
Bank charges	-	62
Honorarium	-	500
Other	1,076	574
Staff travel	1,597	1,883
Training	461	813
	<u>3,134</u>	<u>3,832</u>
Direct Program Expenses		
Mid Winter	14,053	14,906
CYF	19,288	22,092
Chi Rho	18,776	19,773
Junior	16,267	13,852
Fall Institute	899	2,556
Discovery	2,597	3,435
Men's Retreat	4,025	2,903
Spring Fest	-	8,514
Wilderness backpacking	-	3,162
Mission event	991	150
Convocation	-	849
Offering distributions	1,018	-
	<u>77,912</u>	<u>92,193</u>
Total expenses	<u>103,537</u>	<u>117,503</u>
Change in Net Assets, Increase (Decrease)	<u>\$ (7,365)</u>	<u>\$ (4,069)</u>