

HOPE COMMUNITY CHURCH

**11 Hale Street
Newburyport, MA 01950**

2005 ANNUAL FINANCIAL REPORT

The HCC Finance Committee

January 13, 2006

Hope Community Church
Comparative Statement of Operations
Years ended 12/31/03, 12/31/04 & 12/31/05

	2003	2004	2005	
	Actual	Actual	Budget	Actual
Receipts:				
Giving, including new building fund	\$ 148,403	\$ 134,090	149,600	\$ 139,034
Interest	954	983	850	1,343
Roaf fund income	160,369	152,655	155,000	151,349
Facility rental	37,229	45,489	43,000	45,002
Other	-	822	-	1,011
Total receipts:	<u>346,955</u>	<u>334,039</u>	<u>348,450</u>	<u>337,739</u>
Disbursements:				
Personnel	103,066	89,416	73,240	63,808
Administartion	40,570	16,804	9,602	8,277
Ministries	2,127	1,622	5,900	3,627
Building	86,707	58,509	67,888	83,890
Christian education	3,620	2,532	3,800	1,479
Total disbursements:	<u>236,090</u>	<u>168,883</u>	<u>160,430</u>	<u>161,081</u>
Operating surplus:	<u>110,865</u>	<u>165,156</u>	<u>188,020</u>	<u>176,658</u>
Interest expense:				
Mortgage	101,915	89,005	86,424	85,900
Other	293	441	100	657
Total interest expense:	<u>102,208</u>	<u>89,446</u>	<u>86,524</u>	<u>86,557</u>
Other expense	-	-	-	184
Net income	<u>8,657</u>	<u>75,710</u>	<u>101,496</u>	<u>89,917</u>
Cash flow items:				
2nd mortgage Principal pmts	37,969	41,010	43,000	44,115
Capital building costs	39,293	4,861	17,000	19,088
NET CASH FLOW SURPLUS/<DEFICIT>:	<u>\$ (68,605)</u>	<u>\$ 29,839</u>	<u>\$ 41,496</u>	<u>\$ 26,714</u>

Hope Community Church
Comparative Balance Sheets
Years ended 12/31/03, 12/31/04 & 12/31/05

	<u>12/31/2003</u>	<u>12/31/04</u>	<u>12/31/2005</u>
Cash and Investments	\$ 30,821	\$ 44,948	\$ 75,086
Receivables	18,799	22,083	23,736
Prepaid assets	2,092	2,727	2,446
Land & building	3,174,689	3,179,550	3,198,638
	<u>\$ 3,226,401</u>	<u>\$ 3,249,308</u>	<u>\$ 3,299,906</u>
Current funds:			
Operating	\$ (623)	\$ 75,087	\$ 165,004
Operating, restricted	1,350,367	1,350,367	1,350,367
Restricted	24,767	24,160	27,337
Missions funds:			
Designated	4,182	2,536	27
Undesignated	2,204	3,117	4,760
Other funds:			
Scholarship fund	2,823	2,823	2,823
Memorial funds	76,396	76,696	77,331
Accrued liabilities	12,386	2,178	4,028
Accrued payroll taxes	545	-	-
Mortgage loans	1,753,354	1,712,344	1,668,229
	<u>\$ 3,226,401</u>	<u>\$ 3,249,308</u>	<u>\$ 3,299,906</u>

**Hope Community Church
Detail of Disbursements
2004**

Current expense:

Personnel:

Interim pastor	\$ 24,691	
Pulpit supply	2,250	
Choir director	2,250	
Pianist	3,850	
Organist	-	
Worship leader	600	
Secretarial support	19,444	
Sexton	6,861	
Leadership council secretary	1,584	
Rental coverage	2,278	\$ 63,808

Administration

Office supplies	3,078	
Bank service charges	584	
Postage	1,575	
ABC dues	132	
FICA- staff	2,808	
Missions promotion	100	8,277

Ministries:

Music	1,306	
Supplies	93	
Outreach	195	
Nursery	-	
PST expense	816	
Hospitality	1,217	3,627

Sub-total	75,712
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**Hope Community Church
Detail of Disbursements
2005**

Sub-Total from page 1		\$ 75,712
Current expense:		
Building		
Gas	\$ 25,706	
Electric	18,148	
Water/sewer	1,254	
Telephone	2,626	
Insurance	7,815	
Repair & maintenance	11,806	
Snow removal	16,535	83,890
Christian education		
Sunday school	1,479	1,479
Sub-total operating expense disbursements:		161,081
Interest- mortgage	85,900	
- other	657	86,557
Other expense		184
Fleet 2nd mortgage principal payments		44,115
Building project costs		19,088
Sub-total operating disbursements:		311,025
Current restricted fund disbursements		13,024
Mission funds payments		24,631
Total disbursements:		\$ 348,680

**** Please refer to the 2006 operating and expense budget for 2005 budgeted detail by line item.**

Hope Community Church
Current Restricted Funds
2005

Fund	Balance 12/31/2004	Balance 12/31/2005
Music Ministry		
Handbells	\$ 710	\$ 710
Robe fund	1,519	1,519
King's kids	964	964
Drum fund	10	10
Church Ministry		
Church ministry fund	1,907	1,907
Service ministry	1,146	1,146
Discipleship fund	1,060	787
Facility ministries		
Sanctuary fund	681	681
Atrium tables	500	226
Storage Shed	350	-
Cross	70	95
Steeple	-	1,795
Basketball hoops	5,354	6,954
Other ministries		
Green team	599	200
Garden tour fund	70	70
Flower fund	592	387
Soups on	3,367	2,538
Caring team	2,126	1,413
Promise keepers	16	16
Tape ministry	-	295
Lay development	906	906
Purpose driven church	379	379
Packages- military	364	364
Pioneer club	272	272
Restricted scholarship fund	300	300
Pastor	196	1,510
Bus fund	200	200
VBS	502	639
Childrens	-	40
Youth	-	1,014
	\$ 24,160	\$ 27,337

**Hope Community Church
Missions
2005**

	Designated	Undesignated
Summary		
Balance 12/31/04	\$ 2,536	\$ 3,117
2005 Giving	12,987	11,143
2005 Transfers	(566)	200
2005 Payments	(14,931)	(9,700)
Balance 12/31/2005	\$ 26	\$ 4,760

Detail

30 Hour Famine		
Agape Flights	325	200
AIM-Schaubroeck	1,543	1,400
America for Christ	127	
Bethany Christian	445	200
BHM- Turnbull		300
Boston Rescue Mission		200
Camp Cherith	1,335	200
Campus Crusade-Ayer	637	
Child Evangelism Fellowship		300
Evangel Bible- Lincoln		
Far East Broadcasting		200
Good news for India	1,738	1,600
Gordon Conwell TS	225	
Grotonwood		200
HBS Foundation- Hodges		800
Humphreys (Japan Christian)	734	
Hurricane Relief	1,500	
Int'l Ministries- Clemmer		500
Julius Akambi	530	900
Kodiak Baptist		200
Liebenzell-Simpson	30	
Medical need		
Murrow Indian Childrens Hme		200
David Midwood- I Moltovan		500
OC International-Dozo	15	600
One Great Hour	273	
Pettengill House	20	
RBC		
Ready for Monday		
Teen Challenge		
United Mission Basics		200
Vision New England	155	300
Williamsburg Comm. Chapel		500

Word made flesh-R Simons		200
World Missions	268	-
World Vision	4	
World Vision-Tsunami Relief	2,703	
World Vision-Love Loaves	380	
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	12,987	9,700
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Designated missions- reported when contributed

Undesignated missions- reported as payments are made

**Hope Community Church
Fund Activity
2005**

<u>Fund</u>	<u>Balance 12/31/2004</u>	<u>2005</u>			<u>Balance 12/31/2005</u>
		<u>Giving</u>	<u>Interest</u>	<u>Reclass*</u>	
Scholarship	\$ 2,823				\$ 2,823
Walters	\$ 63,501		635		\$ 64,136
Charles Davis	10,000				10,000
Conte Fund	1,000				1,000
Memorial funds	2,195			-	2,195
	<u>\$ 76,696</u>	<u>\$ -</u>	<u>\$ 635</u>	<u>\$ -</u>	<u>\$ 77,331</u>

**Caring Team Fund
2005**

Balance 12/31/2004		\$ 2,126
2005		
	Giving	2,494
	Interest	-
	Disbursements	(3,207)
Balance 12/31/2005		<u>\$ 1,413</u>

The Caring Team fund balance is included as part of Current Restricted funds.

**Hope Community Church
Building Project Information
At 12/31/05**

Total building project costs to date:

1997	\$ 41,301
1998	420,024
1999	917,482
2000	1,048,054
2001	613,840
2002	94,695
2003	39,293
2004	4,861
2005	19,088

Balance 12/31/05:	<u>\$ 3,198,638</u>
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This total includes \$ 450,000 for the purchase of the land.

Roaf fund loans

1998	\$ 448,971
1999	894,869
2000	601,062
2001	361,473
	<u>2,306,375</u>

Less-proceeds from sale	(611,375)
Less- 2001 payment	(27,000)
Less- 2002 payment	(27,000)
Balance 12/31/05:	<u>\$ 1,641,000</u>

Fleet Bank- 2nd mortgage

Proceeds- August 2001	\$ 200,000
2001 principal payments	(18,011)
2002 principal payments	(31,666)
2003 principal payments	(37,969)
2004 principal payments	(41,010)
2005 principal payments	(44,115)

Balance 12/31/05:	<u>\$ 27,229</u>
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**Hope Community Church
Roaf Memorial Fund Summary
2005**

	At 12/31/04	At 12/31/05
Total market value	\$ 3,092,656	\$3,054,000
Investment summary at current market value:		
Bonds		
U.S. Government & Agency	\$ 232,351	101,526
Common Stocks		
Capital goods & construction	-	51,575
Consumer staples	51,245	51,042
Consumer discretionary	67,086	
Consumer cyclical	-	30,012
Energy	32,669	49,696
Financial	86,796	125,346
Healthcare	77,278	83,103
Industrials	61,083	18,294
Information technology	89,029	85,804
Materials	23,121	
Retailing		53,534
Telecommunication services	-	17,237
Transportation		11,273
Utilities	6,563	17,270
Mortgage- Hope Community Church	1,641,000	1,641,000
Mutual funds		
Commingled funds	640,437	633,967
Short term investments	47,945	50,000
		-
Income investments- money market funds	16,195	33,321
Total:	\$ 3,072,798	3,054,000
Projected fund income	\$ 126,180	\$ 120,369
Current yield	4.08%	3.94%

This fund represents the church's endowment and is shown here for informational purposes. It is not included in the numbers presented. The church receives 5% of the fund balance as a yearly distribution. The church borrowed \$ 1,695,000 from the fund at 7.375% to finance the construction of the new facility. The current loan balance is \$ 1,641,000. The loan interest rate was negotiated to 5.0% effective 3/01/03.