

CAROLINE CHURCH OF BROOKHAVEN

FINANCIAL STATEMENTS

DECEMBER 31, 1995

CAROLINE CHURCH OF BROOKHAVEN
TABLE OF CONTENTS
DECEMBER 31, 1995

	<u>PAGE</u>
ACCOUNTANT'S AUDIT REPORT	1
<u>FINANCIAL STATEMENTS</u>	
STATEMENT OF ASSETS & LIABILITIES - OPERATING FUND	2
STATEMENT OF RECEIPTS & DISBURSEMENTS - OPERATING FUND	3
CHANGES IN FUND BALANCE - OPERATING FUND	4
FINANCIAL STATUS OF OTHER FUNDS	5
SECURITIES OWNED - ALL FUNDS	6
STATEMENT OF CHANGES IN FINANCIAL POSITION - OPERATING FUND	7
NOTES TO FINANCIAL STATEMENTS	8 & 9

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Rev. Canon Paul F. Wancura
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Caroline Church of Brookhaven

We have examined the Statement of Assets and Liabilities resulting from cash transactions of the Caroline Church of Brookhaven as of December 31, 1995 and the related Statements of Cash Receipts and Disbursements, and Changes in Operating Fund Balance for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records as we considered necessary in the circumstances.

As described in Note 1, the Church's policy is to prepare its financial statements on the basis of cash receipts and disbursements in accordance with principles authorized by the General Convention of the Episcopal Church. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements present fairly the assets and liabilities of the Church at December 31, 1995 and the cash receipts and expenditures and changes in operating fund balance for the year then ended, arising from cash transactions, in accordance with the principles authorized by the General Convention of the Episcopal Church on a basis consistent with that of the preceding year.

Dated: May 23, 1996

Neesham, Sini & Reeves, P.C.

CAROLINE CHURCH OF BROOKHAVEN
STATEMENT OF ASSETS & LIABILITIES - OPERATING FUND
DECEMBER 31, 1995

ASSETS

<u>CASH</u>		\$ 55,181
Cash		
<u>INVESTMENTS (NOTE 2)</u>		
Securities - Held at Merrill Lynch		461,082
- Other		583
<u>PROPERTY EXCLUSIVE OF LAND (NOTE 3)</u>		
Building and Equipment		2,706,968
Fine Art and Contents		388,200
<u>OTHER ASSETS</u>		
Due From Other Funds (Net)		<u>230,299</u>
<u>TOTAL ASSETS</u>		<u>\$3,842,313</u>

LIABILITIES AND FUND BALANCES

<u>LIABILITIES</u>		\$ 476
Prepayments for Weddings		2,326
Other Prepayments		1,205
Prepaid Pledges		5,649
Miscellaneous Accounts Payable		<u>898</u>
Payroll Taxes Payable		
<u>TOTAL LIABILITIES</u>		<u>\$ 10,554</u>
<u>FUND BALANCES</u>		
Unrestricted		
Operating and Investment Fund		736,591
Restricted		
Real Estate		<u>3,095,168</u>
<u>TOTAL FUND BALANCES</u>		<u>3,831,759</u>
<u>TOTAL LIABILITIES & FUND BALANCES</u>		<u>\$3,842,313</u>

See Accountant's Report and Accompanying Notes.

CAROLINE CHURCH OF BROOKHAVEN
 STATEMENT OF RECEIPTS & DISBURSEMENTS - OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>
<u>CASH RECEIPTS</u>		
Pledges	\$194,000	\$203,130
Plate Offering & Church School	6,700	8,402
Holidays & Initial Offering	8,800	9,127
Other Contributions & Theological Education	8,400	2,518
Funding from Investment Income	<u>40,257</u>	<u>47,850</u>
	<u>258,157</u>	<u>271,027</u>
<u>CASH DISBURSEMENTS</u>		
Salaries, Pensions, Benefits	145,607	157,913
Administration:		
Printing, Postage & Office Expense and Miscellaneous	11,150	13,151
Accounting and Audit	3,400	3,000
Utilities & Telephone	22,400	18,442
Grounds	2,000	1,640
Insurance	12,100	9,531
Restoration & Renovation:		
Repairs, Maintenance & Supplies	19,000	18,771
Replacement - Furniture & Equipment	2,500	2,902
Stewardship:		
Diocesan Support	14,000	12,600
Discretionary Fund	2,000	2,000
Other	2,000	1,725
Music:		
Music Supplies	3,800	5,695
Maintenance of Organ & Piano	2,000	1,175
Theological Education	500	382
Christian Education	<u>5,700</u>	<u>6,554</u>
	<u>248,157</u>	<u>255,481</u>
<u>EXCESS OF RECEIPTS OVER DISBURSEMENTS</u>		<u>\$ 15,546</u>

See Accountant's Report and Accompanying Notes.

CAROLINE CHURCH OF BROOKHAVEN
 CHANGES IN FUND BALANCE - OPERATING FUND
DECEMBER 31, 1995

	<u>UNRESTRICTED</u> <u>Operating &</u> <u>Investment Fund</u>	<u>RESTRICTED</u> <u>Real Estate</u>
Fund Balance January 1, 1995	\$ 721,045	\$3,095,168
Add: Excess of Receipts over Disbursements	<u>15,546</u>	<u>-</u>
Fund Balance December 31, 1995	\$ <u>736,591</u>	\$ <u>3,095,168</u>

See Accountant's Report and Accompanying Notes.

CAROLINE CHURCH OF BROOKHAVEN
FINANCIAL STATUS OF OTHER FUNDS
DECEMBER 31, 1995

	<u>BUILDING FUND</u>	<u>CHURCH YARD FUND</u>	<u>REMEMBRANCE FUND</u>	<u>ORGAN FUND</u>
<u>SETS</u>				
urrent				
MA Cash Account	\$ 1	\$ 1	\$ 1	\$ -0-
MA Money Market Fund	13	92,970	92,744	-0-
ift Certificates	-0-	-0-	-0-	2,589
ue from Operating Fund	-0-	113	3,200	29,102
ue from Building Fund	-0-	-0-	61,168	-0-
estments (Note 2)				
curities -				
Held by Merrill Lynch	<u>-0-</u>	<u>469,495</u>	<u>245,699</u>	<u>-0-</u>
<u>TOTAL ASSETS</u>	<u>14</u>	<u>562,579</u>	<u>402,812</u>	<u>31,691</u>
<u>LIABILITIES</u>				
urrent				
iscellaneous	-0-	113	-0-	-0-
ue to Other Funds	<u>323,882</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL LIABILITIES</u>	<u>323,882</u>	<u>113</u>	<u>-0-</u>	<u>-0-</u>
<u>UND BALANCE DEC.31,1995</u>	<u>(323,868)</u>	<u>562,466</u>	<u>402,812</u>	<u>31,691</u>
anges in Fund Balance				
alance, Jan. 1, 1995	(355,240)	558,444	375,547	16,354
l:				
st Income from Investments	2	29,558	14,270	-0-
ain/Loss Sale of Securities	-0-	1,898	9,540	-0-
ale of Certificates	-0-	-0-	-0-	2,623
ontributions and Fees	<u>31,470</u>	<u>850</u>	<u>3,680</u>	<u>12,884</u>
	<u>(323,768)</u>	<u>590,750</u>	<u>403,037</u>	<u>31,861</u>
s:				
MA Charge & Misc.	100	1,070	100	170
ilding Improvements	-0-	-0-	-0-	-0-
int. & Improvement of				
Grounds & Repairs	-0-	21,505	-0-	-0-
emorials	-0-	-0-	125	-0-
ecurity	-0-	<u>5,709</u>	<u>-0-</u>	<u>-0-</u>
	<u>-0-</u>	<u>28,284</u>	<u>225</u>	<u>170</u>
<u>UND BALANCE DEC.31,1995</u>	<u>\$(323,868)</u>	<u>\$562,466</u>	<u>\$402,812</u>	<u>\$31,691</u>

See Accountant's Report and Accompanying Notes.

CAROLINE CHURCH OF BROOKHAVEN
SECURITIES OWNED - ALL FUNDS
DECEMBER 31, 1995

	<u>COST</u>	<u>MARKET VALUE</u>
<u>OPERATING FUND</u>		
Investments held at Merrill Lynch		
Common Stocks & Funds	\$305,287	\$522,291
Government Securities	136,702	195,172
GMA Participations	7,065	8,453
MLH Realty Partners	<u>12,028</u>	<u>10,725</u>
	<u>\$461,082</u>	<u>\$736,641</u>
Other Investments		
L.I. Diocese Inv. Inc. Fund	<u>\$ 583</u>	<u>\$ 583</u>
<u>CHURCH YARD FUND</u>		
Investments held at Merrill Lynch		
Common Stocks	253,626	379,638
Corporate Bonds	5,700	9,999
Government Securities	188,864	368,606
GMA Participations	6,872	7,939
MLH Realty Partners	<u>14,433</u>	<u>12,870</u>
	<u>\$469,495</u>	<u>\$779,052</u>
<u>REMEMBRANCE FUND</u>		
Investments held at Merrill Lynch		
Common Stocks	\$ 83,643	\$166,913
Corporate Bonds	48,319	49,875
Government Securities	<u>113,737</u>	<u>207,615</u>
	<u>\$245,699</u>	<u>\$424,403</u>

See Accountant's Report and Accompanying Notes.

CAROLINE CHURCH OF BROOKHAVEN
STATEMENT OF CHANGES IN FINANCIAL POSITION - OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 1995

Uses of Working Capital:	
Excess Revenue over Expense	\$ <u>15,546</u>
Changes in Working Capital:	
Increase in Cash	\$ 39,738
Increase in Securities	27,245
Decrease in amount due from other funds	(50,529)
Increase in Current Liabilities	<u>(908)</u>
Net Decrease in Working Capital	\$ <u>15,546</u>

See Accountant's Report and Accompanying Notes.

CAROLINE CHURCH OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1995

Note 1 - Accounting Principles Employed

The Caroline Church of Brookhaven maintains its accounting records on the cash basis in accordance with principles adopted by the Episcopal Church and approved by its General Convention. The statements do not reflect either as unpaid liabilities or as current year expenditures bills payable for utilities, etc. which are received too late to be paid before December 31.

To ensure observance of limitations and restrictions placed on the use of resources available to the organization, the accounts of the organization are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund.

The assets, liabilities, and fund balances of the organization are reported in five self-balancing fund groups as follows:

Operating funds, which include unrestricted resources, represent the portion of expendable funds that is available for support of operations.

Building fund represents resources restricted for building renovations and maintenance.

Churchyard fund represents funds that are subject to restrictions that the income be used for upkeep and maintenance of the churchyard.

Remembrance fund represents income restricted for use to commemorate the departed, an anniversary or other event of significance.

Organ fund represents income restricted for use to purchase a new organ for the Church.

CAROLINE CHURCH OF BROOKHAVEN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1995

ote 2 - Investments

Investments are stated at cost or at market value on the date donated to the church. Marketable common stocks are, in accordance with Statements of Financial Accounting Standards No. 12, carried at the lower of aggregate cost or market. Net gains on securities sold are recorded as an increase in Fund Balance rather than as current receipts.

ote 3 - Real Estate

The policy of the Episcopal Church is to carry real estate at cost or, where cost records are not available, at appraised value.

ote 4 - Pension

The Caroline Church of Brookhaven has a defined contribution plan covering office employees who have completed five years of service and are employed for at least 20 hrs. per week. The Church must contribute a mandatory 5% of the individual's salary and match up to an additional 4%. The pension cost for the current year was \$1,778. The monies are deposited with the Diocese Church Pension Fund.

The Church must also contribute 18% of the rector's entire compensation to a deferred compensation pension fund. The rector's compensation includes his stipend, social security, utilities and 30% of his housing costs. This is a non-contributory pension plan and the monies are deposited with the Diocese Church Pension Plan. The pension cost for the current year was \$10,329.