

## ABCUSA MATTHEW 25 GRANT APPLICATION

A generous donor has given a sum of money through American Baptist Churches USA to be used for programs that address "housing, feeding, education and health with regard to the less fortunate." The donor's primary concern is to help ameliorate poverty. ABCUSA will distribute grants of up to \$5,000 semi-annually as long as the generosity of this donor continues. A panel will select recipients largely based on the degree to which the funds will be used to directly assist persons in poverty. Ministries must be in relationship with American Baptist Churches USA to be eligible to apply.

1. General Information:

Organization Name American Baptist Churches of the Rochester Genesee Region

Affiliation with ABCUSA \_\_\_\_\_

Address 1100 S Goodman Street, Rochester NY 14620

Phone 585 -340-9521 Federal Tax ID# 16-0743918

Contact person Rev. Alan Newton email [exec@abcrgr.org](mailto:exec@abcrgr.org)

2. Please submit with your application a copy of:

- Your mission statement (In Annual Report Bylaws section)
- Your most recent annual report or audited financial statement (Attached)

3. How do you plan to use the requested funds? How will the funds specifically assist individuals battling poverty and its effects? (Please submit on separate sheet. Maximum of one page.)

4. Total cost of the project \$35,790

5. Amount being requested from the ABCUSA Matthew 25 Grant \$5,000

6. Your other funding source(s) Monroe County DHS Wage Subsidy \$7,000 Community Block Grant from Action for a Better Community \$5000, Lake Avenue Baptist Church (in-kind building use) \$1,200, ABCRGR \$4,000, Fundraising \$12,800

I certify that all the information submitted with this application is true and correct, and that we will use any granted funds as described. We will supply a 1-page report on the use of the funds and a photo within six months of receipt of the grant.

(Signed) *Alan H Newton* Date December 13, 2012

Printed Name/Title Rev. Alan Newton, Executive Minister

**Please note:**

- Incomplete applications will not be considered.
- Recipients agree to share their stories via the ABCUSA website.
- Application deadline is March 1 for grants distributed on April 15; Sept. 1 for grants distributed on Oct. 15
- Completed applications should be sent to:  
Mission Resource Development  
American Baptist Churches USA  
P.O. Box 851  
Valley Forge, PA **19482-0851**

**Or emailed to:** [Beth.Fogg@abc-usa.org](mailto:Beth.Fogg@abc-usa.org)



## Matthew 25 Grant - Project Description

In August 2012 a collaboration of American Baptists, United Methodists and Roman Catholics and a local agency – Action for a Better Community developed a project called FOCUS PLUS. This is a program uses an adult mentoring model to help persons who are living below the poverty line move toward self-sufficiency.

Participants are generally assigned through the Department of Human Services WEP (Welfare Education Program) and attend a 15 week intensive course which assists the participants to establish goals and to overcome obstacles preventing them from achieving self-sufficiency. After the 15 week course the FOCUS PLUS mentoring program begins and continues for at least 6 months.

In Focus Plus the program participants are designated the Team Captains and the mentors are Teammates. The program is intentionally designed to empower individuals to chart their own course with the support of caring Christians who will encourage and help resource their Captains.

The program meets for an evening meal every other week for 6 months. After the 6 months participants and mentors are given the opportunity to continue should they desire to do so. During the next week Captains and Teammates check in by phone, email or in person.

The budget is utilized primarily to fund a volunteer coordinator. The present coordinator is a FOCUS graduate. The position is funded by the faith partners and a subsidy which is available this year from the Department of Human Services WEP program for programs which employ former WEP clients.

We have just completed our first “class.” The results indicate that all the Team Captains met some of their goals. Most obtained their GED and are now working on obtaining their driver’s licenses. (The two necessary elements of obtaining and sustaining employment.) Most have set a new goal of beginning study at the local community college. Two Team Captains were fully employed during the 6 month program.

The Teammate (Mentors) reported gaining a better understanding of the barriers which impede many people’s journey to self-sufficiency and experienced great satisfaction in building bonds of friendship with their Captains.

All of the participants are young women under the age of 30. Most have children and bring the children to the Focus Plus meetings. Childcare is provided during the program portion following a nutritious meal.

We begin our second class in mid-January and will be adding new participants every 15 weeks throughout 2013.

It is my hope that you will see the value of this project. Already it has changed the culture of Action for a Better Community which is incorporating the principles of empowerment throughout its programs.

**REVIEWED  
FINANCIAL STATEMENTS**

**AMERICAN BAPTIST CHURCHES  
OF THE ROCHESTER/GENESEE REGION**

---

**DECEMBER 31, 2011**

AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION

CONTENTS

---

|  | <u>Page</u>   |
|--|---------------|
| <b>Independent Accountant’s Review Report .....</b>      | <b>1</b>      |
| <b>Financial Statements:</b>                             |               |
| Statements of Financial Position.....                    | 2             |
| Statements of Activities and Changes in Net Assets ..... | 3-4           |
| Statements of Functional Expenses.....                   | 5-6           |
| Statements of Cash Flows .....                           | 7             |
| <b>Notes to the Financial Statements .....</b>           | <b>8 - 12</b> |



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Executive Board  
American Baptist Churches of the Rochester/Genesee Region

We have reviewed the accompanying statements of financial position of American Baptist Churches of the Rochester/Genesee Region as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets, statements of functional expenses, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Freed Maxick CPAs, P.C.*

(Formerly known as Freed Maxick & Battaglia, CPAs, P.C.)  
Rochester, New York  
May 7, 2012

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**STATEMENTS OF FINANCIAL POSITION**

**As of December 31,**

**See Independent Accountant's Review Report**

|   | <u>2011</u>       | <u>2010</u>       |
|---|-------------------|-------------------|
| <b>ASSETS</b>                           |                   |                   |
| <b>Current assets:</b>                  |                   |                   |
| Cash                                    | \$ 14,506         | \$ 6,486          |
| Loans to churches                       | <u>662</u>        | <u>4,915</u>      |
| <b>Total current assets</b>             | <u>15,168</u>     | <u>11,401</u>     |
| <b>Investments</b>                      | 635,093           | 668,652           |
| <b>Loans to churches</b>                | -                 | 1,184             |
| <b>Property and equipment:</b>          |                   |                   |
| Land                                    | 44,390            | 25,600            |
| Churches and parsonages                 | 399,410           | 230,300           |
| Furniture and equipment                 | <u>44,325</u>     | <u>44,325</u>     |
|   | 488,125           | 300,225           |
| Less: accumulated depreciation          | <u>276,034</u>    | <u>274,625</u>    |
| <b>Net property and equipment</b>       | <u>212,091</u>    | <u>25,600</u>     |
| <b>Total assets</b>                     | <u>\$ 862,352</u> | <u>\$ 706,837</u> |
| <b>LIABILITIES AND NET ASSETS</b>       |                   |                   |
| <b>Current liabilities:</b>             |                   |                   |
| Accounts payable                        | \$ 3,260          | \$ 9,531          |
| <b>Total current liabilities</b>        | <u>3,260</u>      | <u>9,531</u>      |
| <b>Net assets:</b>                      |                   |                   |
| Unrestricted                            | 192,771           | 30,737            |
| Temporarily restricted                  | 404,384           | 404,632           |
| Permanently restricted                  | <u>261,937</u>    | <u>261,937</u>    |
| <b>Total net assets</b>                 | <u>859,092</u>    | <u>697,306</u>    |
| <b>Total liabilities and net assets</b> | <u>\$ 862,352</u> | <u>\$ 706,837</u> |

See accompanying notes.

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**For The Year Ended December 31, 2011**

**See Independent Accountant's Review Report**

|   | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|-----------------------------------|--------------|
| <b>Support and revenue:</b>                                 |                     |                                   |                                   |              |
| Contributions   | \$ 306,983          | \$ 18,748                         | \$ -                              | \$ 325,731   |
| Specific ministries   | 40,345              | -                                 | -                                 | 40,345       |
| Loan interest income  | 114                 | -                                 | -                                 | 114          |
| Investment income   | 1,801               | 14,854                            | -                                 | 16,655       |
| Net assets released from restriction                        | 33,850              | (33,850)                          | -                                 | -            |
| Total support and revenue                                   | 383,093             | (248)                             | -                                 | 382,845      |
| <b>Functional expenses:</b>                                 |                     |                                   |                                   |              |
| Program services  | 146,023             | -                                 | -                                 | 146,023      |
| Management and general                                      | 42,776              | -                                 | -                                 | 42,776       |
| Total functional expenses                                   | 188,799             | -                                 | -                                 | 188,799      |
| <b>Changes in net assets before<br/>loss on investments</b> | 194,294             | (248)                             | -                                 | 194,046      |
| <b>Unrealized loss on investments</b>                       | (23,193)            | -                                 | -                                 | (23,193)     |
| <b>Realized loss on investments</b>                         | (9,067)             | -                                 | -                                 | (9,067)      |
| <b>Increase (decrease) in net assets</b>                    | 162,034             | (248)                             | -                                 | 161,786      |
| <b>Net assets, beginning of year</b>                        | 30,737              | 404,632                           | 261,937                           | 697,306      |
| <b>Net assets, end of year</b>                              | \$ 192,771          | \$ 404,384                        | \$ 261,937                        | \$ 859,092   |

See accompanying notes.

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**For The Year Ended December 31, 2010**

**See Independent Accountant's Review Report**

|   | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|-----------------------------------|--------------|
| <b>Support and revenue:</b>                                 |                     |                                   |                                   |              |
| Contributions   | \$ 126,473          | \$ -                              | \$ -                              | \$ 126,473   |
| Specific ministries   | 58,363              | -                                 | 11,960                            | 70,323       |
| Loan interest income  | 449                 | -                                 | -                                 | 449          |
| Investment income   | 899                 | 17,178                            | -                                 | 18,077       |
| Net assets released from restriction                        | 23,800              | (23,800)                          | -                                 | -            |
| Total support and revenue                                   | 209,984             | (6,622)                           | 11,960                            | 215,322      |
| Realized gain on investments                                |                     |                                   |                                   |              |
| <b>Functional expenses:</b>                                 |                     |                                   |                                   |              |
| Program services  | 139,590             | -                                 | -                                 | 139,590      |
| Management and general                                      | 53,473              | -                                 | -                                 | 53,473       |
| Total functional expenses                                   | 193,063             | -                                 | -                                 | 193,063      |
| <b>Changes in net assets before gain<br/>on investments</b> | 16,921              | (6,622)                           | 11,960                            | 22,259       |
| Unrealized gain on investments                              | 50,413              | -                                 | -                                 | 50,413       |
| Realized gain on investments                                | 451                 | -                                 | -                                 | 451          |
| <b>Increase (decrease) in net assets</b>                    | 67,785              | (6,622)                           | 11,960                            | 73,123       |
| <b>Net assets, beginning of year</b>                        | (37,048)            | 411,254                           | 249,977                           | 624,183      |
| <b>Net assets, end of year</b>                              | \$ 30,737           | \$ 404,632                        | \$ 261,937                        | \$ 697,306   |

See accompanying notes.



**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**STATEMENT OF FUNCTIONAL EXPENSES  
For The Year Ended December 31, 2011  
See Independent Accountant's Review Report**

---

|                                      | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Total</u>             |
|--------------------------------------|-----------------------------|-----------------------------------|--------------------------|
| Salaries                             | \$ 73,180                   | \$ 24,588                         | \$ 97,768                |
| Payroll taxes and fringe benefits    | 15,909                      | 9,318                             | 25,227                   |
| Depreciation                         | 705                         | 705                               | 1,410                    |
| Dues, assessments and other          | 586                         | 586                               | 1,172                    |
| Events sponsored                     | 6,697                       | -                                 | 6,697                    |
| Grants to specific ministries        | 25,201                      | -                                 | 25,201                   |
| Occupancy                            | 7,472                       | 2,490                             | 9,962                    |
| Office and other services            | 3,650                       | 1,420                             | 5,070                    |
| Professional fees                    | -                           | 3,200                             | 3,200                    |
| Program committee expenses           | 1,901                       | -                                 | 1,901                    |
| Staff travel and reimbursed expenses | 10,572                      | 269                               | 10,841                   |
| Investment fees                      | -                           | 200                               | 200                      |
| Support and assistance               | 150                         | -                                 | 150                      |
|                                      | <u>          </u>           | <u>          </u>                 | <u>          </u>        |
| <b>Total functional expenses</b>     | <b>\$ <u>146,023</u></b>    | <b>\$ <u>42,776</u></b>           | <b>\$ <u>188,799</u></b> |

See accompanying notes.

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For The Year Ended December 31, 2010**

**See Independent Accountant's Review Report**

---

|                                      | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Total</u>             |
|--------------------------------------|-----------------------------|-----------------------------------|--------------------------|
| Salaries                             | \$ 73,181                   | \$ 32,251                         | \$ 105,432               |
| Payroll taxes and fringe benefits    | 14,709                      | 12,278                            | 26,987                   |
| Dues, assessments and other          | 2,354                       | 2,354                             | 4,708                    |
| Events sponsored                     | 5,106                       | -                                 | 5,106                    |
| Grants to specific ministries        | 23,892                      | -                                 | 23,892                   |
| Occupancy                            | 6,935                       | 2,311                             | 9,246                    |
| Office and other services            | 5,291                       | 2,057                             | 7,348                    |
| Professional fees                    | -                           | 1,900                             | 1,900                    |
| Program committee expenses           | 56                          | -                                 | 56                       |
| Staff travel and reimbursed expenses | 7,901                       | 172                               | 8,073                    |
| Investment fees                      | -                           | 150                               | 150                      |
| Support and assistance               | 165                         | -                                 | 165                      |
|                                      | <hr/>                       | <hr/>                             | <hr/>                    |
| <b>Total functional expenses</b>     | <b>\$ <u>139,590</u></b>    | <b>\$ <u>53,473</u></b>           | <b>\$ <u>193,063</u></b> |

See accompanying notes.

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**STATEMENT OF CASH FLOWS**

For the year ended December 31,

See Independent Accountant's Review Report

|  | <u>2011</u>      | <u>2010</u>     |
|--|------------------|-----------------|
| <b>Cash flows from operating activities:</b>   |                  |                 |
| Changes in net assets  | \$ 161,786       | \$ 73,123       |
| Adjustments to reconcile change in net assets to<br>net cash provided by operating activities: |                  |                 |
| Depreciation   | 1,410            | -               |
| Unrealized (gain) loss on investments  | 23,193           | (50,413)        |
| Realized (gain) loss on investments  | 9,067            | (451)           |
| Contribution of property   | (187,900)        | -               |
| <b>(Decrease) increase in liabilities:</b>   |                  |                 |
| Accounts payable   | (6,271)          | 3,723           |
| <b>Net cash provided by operating activities</b>   | <b>1,285</b>     | <b>25,982</b>   |
| <b>Cash flows from investing activities:</b>   |                  |                 |
| Proceeds from sales of investments   | 242,348          | 20,899          |
| Purchases of investments   | (241,050)        | (53,477)        |
| Loan repayments from churches  | 5,437            | 11,912          |
| <b>Net cash provided (used) by investing activities</b>  | <b>6,735</b>     | <b>(20,666)</b> |
| <b>Net increase in cash</b>  | <b>8,020</b>     | <b>5,316</b>    |
| <b>Cash - beginning of year</b>  | <b>6,486</b>     | <b>1,170</b>    |
| <b>Cash - end of year</b>  | <b>\$ 14,506</b> | <b>\$ 6,486</b> |
| <b>Noncash investing and financing activities:</b>   |                  |                 |
| Acquisition of contributed property  | \$ 187,900       | \$ -            |

See accompanying notes.

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**See Independent Accountant's Review Report**

---

**NOTE 1. NATURE OF BUSINESS**

The American Baptist Churches of the Rochester/Genesee Region (the "Region") is a not-for-profit corporation, incorporated in 1827 under Section 803 of the New York State Not-for-Profit Corporation Law, to promote unity, growth, and outreach of its cooperating churches, and to foster whatever else may serve to promote the interest of the Church in the World.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting:** The Region prepares its financial statements on the accrual basis of accounting, which means that revenues are recorded when earned and expenditures are recorded when incurred.

**Display of Net Assets by Class:** The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Codification, which requires that resources be classified for reporting purposes into three net asset categories (unrestricted, temporarily restricted, and permanently restricted) according to the existence or absence of donor-imposed restrictions. Temporarily restricted net assets are those whose use has been limited by donors to a specific purpose or time period. Permanently restricted net assets are those for which donors require the principal of the gift to be maintained in perpetuity. Temporarily restricted net assets whose restrictions are satisfied in the year of the gift are reported as temporarily restricted and included in the amount released from restrictions in the accompanying Statements of Activities and Changes in Net Assets.

**Functional Allocation of Expenses:** The costs of providing program services have been summarized in the Statements of Functional Expenses. Certain costs have been allocated among the program, and management and general expenses based upon certain statistics and estimates made by the Region's management.

**Contributions:** Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions with donor temporary restrictions are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions.

**Investment Securities:** Investments are in securities with readily determinable fair values and all investments made in debt securities are valued at their fair values in the Statements of Financial Position. Realized and unrealized gains and losses are included in the increase (decrease) in net assets in the Statements of Activities and Changes in Net Assets.

**Fair Value:** As defined by accounting principles generally accepted in the United States of America, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The principle applies to all assets and liabilities that are being measured and reported on a fair value basis. It enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**See Independent Accountant's Review Report**

---

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As of December 31, 2011 and 2010, the Region has determined the fair value of its investments is based on level 1 inputs.

**Fixed Assets:** Property and equipment are recorded at cost. Contributed assets are recorded at their fair market value at the date of contribution. Significant purchases and improvements that extend the useful life of an asset are capitalized. Repairs and maintenance are charged to expense in the period incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are five years for furniture, fixtures and equipment, and eighteen to thirty-nine years for churches and parsonages. The cost and related accumulated depreciation of fixed assets are removed from the accounts as they are retired or otherwise disposed of and gain or loss, if any, is reflected in operations of the period. There was depreciation expense in the amount of \$1,410 and \$0 for the years ended December 31, 2011 and 2010, respectively.

**Impairment of Long-lived Assets:** If facts and circumstances exist that indicate the carrying values of the Region's capital assets to be held and used exceed their recoverable value, an impairment analysis is performed. The Region assesses the recoverability of its assets by comparing the projected undiscounted net cash flows associated with those assets to their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. There was no impairment recorded on long-lived assets by the Region in 2011 and 2010.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes:** The Region is a not-for-profit organization exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and applicable state tax law. No provisions for federal or state income taxes have been made. The organization is not required to file tax returns in either the United States or New York jurisdiction.

**Donated Services:** The Region receives a substantial amount of services donated by its cooperating churches in carrying out the church's ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

**NOTE 3. INVESTMENTS**

The Executive Board has an approved investment policy in place for each fund. See policy described in Footnotes 5, 6 and 7.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

**Money Market Funds:** A public investment vehicle valued using \$1 for the net asset value ("NAV").

**Mutual Funds:** Valued at the net asset value ("NAV") of shares held by the Region at year end.

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**NOTES TO THE FINANCIAL STATEMENTS**

See Independent Accountant's Review Report

**NOTE 3. INVESTMENTS (CONTINUED)**

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Region believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the high level of risk associates with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

A summary of investments at market value at December 31, is as follows:

|                           | <u>Market Value</u> |                   |
|---------------------------|---------------------|-------------------|
|                           | <u>2011</u>         | <u>2010</u>       |
| <b>Money Market Funds</b> | \$ 23,364           | \$ 15,010         |
| <b>Mutual Funds</b>       |                     |                   |
| Income Fund               | 89,575              | 160,105           |
| Equity Fund               | 221,270             | 186,264           |
| Income/Equity Fund        | <u>300,884</u>      | <u>307,273</u>    |
| <b>Total</b>              | <u>\$ 635,093</u>   | <u>\$ 668,652</u> |

|                          | <u>December 31, 2011</u> |                   |                        |
|--------------------------|--------------------------|-------------------|------------------------|
|                          | <u>Market Value</u>      | <u>Cost Basis</u> | <u>Unrealized Gain</u> |
| <b>Money Market Fund</b> | \$ 23,364                | \$ 23,364         | -                      |
| <b>Mutual Funds</b>      | <u>611,729</u>           | <u>577,269</u>    | <u>34,460</u>          |
|                          | <u>\$ 635,093</u>        | <u>\$ 600,633</u> | <u>\$ 34,460</u>       |

|                          | <u>December 31, 2010</u> |                   |                        |
|--------------------------|--------------------------|-------------------|------------------------|
|                          | <u>Market Value</u>      | <u>Cost Basis</u> | <u>Unrealized Gain</u> |
| <b>Money Market Fund</b> | \$ 15,010                | \$ 15,010         | \$ -                   |
| <b>Mutual Funds</b>      | <u>653,642</u>           | <u>597,762</u>    | <u>55,880</u>          |
|                          | <u>\$ 668,652</u>        | <u>\$ 612,772</u> | <u>\$ 55,880</u>       |

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**See Independent Accountant's Review Report**

---

**NOTE 4. LOANS TO COOPERATING CHURCHES**

The Region operates a revolving fund, the Mutual Assistance Fund, from which cooperating churches may borrow for approved purposes. Interest is generally charged at below-market rates. As of December 31, 2011 and 2010, \$662 and \$6,099 in loans were outstanding, respectively. The interest rate on the outstanding loan at December 31, 2012 was at 4% with monthly payments of \$285. The outstanding loan is expected to be paid in full in May of 2012.

**NOTE 5. TEMPORARILY RESTRICTED NET ASSETS**

In 2003, the Region was designated as a beneficiary upon the dissolution of the Church of the Master (Baptist). The monies are to be held in an investment for 10 years within interest and dividends to be used to support operations. On the maturity date the principal investment becomes unrestricted to be used at the Region's discretion. The principal value of the investment was \$213,385.

In the 1950's the executive board of the Baptist Union of Rochester and Monroe County developed a mutual assistance fund to help provide financial assistance to cooperating churches. The Region has been designated as the operator of the fund under the Trustee's guidelines. Most recently the fund has been used to provide loans and grants to region churches. The principal and interest is restricted for the said purpose.

The Region operates a Special Fund, which consists of pooled monies received and specifically intended to support various program activities and grants. In the year the restriction is satisfied amounts are recorded as transfers between temporarily restricted and unrestricted net assets in the statement of activities. When the fund was started the original principal contribution in the amount of \$8,060 was to be preserved; however, there was no permanent restriction on the use of the principal value contributed. The Region has historically recorded this as temporarily restricted. The principal value has been preserved as of December 31, 2011 and 2010. In 2011, the Executive Board approved the use of the special fund to act as a pass-through account to support the program activities of another entity awaiting its 501 (c) (3) status. Amounts collected and disbursed for this purpose amounted to \$4,995 for the year ended December 31, 2011.

**NOTE 6. PERMANENTLY RESTRICTED NET ASSETS**

The Calvary Endowment Fund arose from the sale of a vacated church building owned by a disbanded congregation. The income (interest and dividends) of the fund is to be used to support mission work: 50% for local and national mission needs, and 50% for international mission needs. The Region withdraws the funds utilizing the total return concept, whereby withdrawals of 5% of the five year moving average of the market value of the portfolio are taken to protect the value of the principal. In addition, the portfolio guideline is: cash and cash equivalents 5-20%, fixed income securities 20-60%, and equities 40-70%. During 2011 and 2010 draws of \$10,000 were made and included as transfers between temporarily restricted net assets and unrestricted. The principal value of the endowment for the year ended December 31, 2011 and 2010 was \$174,417.

The Region was designated as a beneficiary upon the dissolution of the South Avenue Baptist Church. The monies are to be held in an investment with all income and losses recorded as unrestricted net assets. Realized income is to be distributed to the Region and specific cooperating churches to support their operations, which totaled \$8,000 during 2011 and \$10,000 during 2010. During 2011 and 2010, the Region received an additional contribution of \$0 and \$11,960 as the beneficiary in settlement of dissolution, respectively. The principal value of the endowment for the year ended December 31, 2011 and 2010 was \$87,520.

**AMERICAN BAPTIST CHURCHES OF THE  
ROCHESTER/GENESEE REGION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**See Independent Accountant's Review Report**

---

**NOTE 7. UNRESTRICTED BOARD DESIGNATED ENDOWMENT**

In 2006 the Executive Board of the Region established an endowment fund to secure monies for the future of the Region. The endowment is invested in a portfolio that is managed for long-term returns, similar to the Calvary Endowment Fund in Note 6. The balance of the unrestricted endowment was \$46,786 and \$47,174 for the years ended December 31, 2011 and 2010, respectively.

**NOTE 8. RETIREMENT PLAN**

The Region makes a retirement contribution on behalf of its ministerial and full-time employees. Contributions amount to 16% of salaries, as determined by American Baptist Churches/USA, and totaled \$15,638 and \$16,869 for the years ended December 31, 2011 and 2010, respectively.

**NOTE 9. LEASE AGREEMENT**

The Region entered into a lease agreement with the Colgate Rochester Crozer Divinity School on June 1, 2010 for the rental of office space. The term of this lease is five years, terminating on May 31, 2015. The payments under the new lease arrangement are payable in monthly installments of \$683 or \$8,200 per year. The aggregate future minimum payments under these operating leases at December 31, 2011 are as follows:

|      |                  |
|------|------------------|
| 2012 | \$ 8,200         |
| 2013 | 8,200            |
| 2014 | 8,200            |
| 2015 | <u>3,415</u>     |
|      | \$ <u>28,015</u> |

**NOTE 10. CONTRIBUTION OF ASSETS**

In 2011, the Region was designated as a beneficiary upon the dissolution of the Clifton Baptist Church and received a building and land. These assets are recorded at the fair value at the date of contribution, which amounted to \$187,900 and are unrestricted. The building will be depreciated over the estimated useful life of the asset.

**NOTE 11. SUBSEQUENT EVENTS**

On February 13, 2012, the Region approved a promissory note with Parsells Avenue Community Church from the revolving fund, Mutual Assistance Fund, as mentioned previously in Note 4. The note is in the amount of \$19,400 and will be repaid with interest at the annual rate of 4% in monthly principal and interest payments of \$118 with a maturity date of April 15, 2032. The remaining outstanding principal and interest is due at maturity.

These financial statements have not been updated for subsequent events occurring after May 7, 2012, which is the date these financial statements were available to be issued.