

Gulf Cove United Methodist Church
Helping Everyone Meet, Know, and Serve Jesus
Finance Leadership Team Meeting
December 15, 2014 – 7:00 PM

Attendees: John Furtado (Chairman), John McGuire (Vice-Chairman), Irv Hopkins, Jo Ann Hopkins, Rick Starck, LuAnn Zink, Ilene Sokolich, Gail Borden, Dana Hanson

The meeting was opened with the lighting of the candle representing Jesus Christ, followed by a prayer by John Furtado.

CORRECTIONS TO PREVIOUS MINUTES

The recording secretary was not notified of any changes that need to be made to the minutes from the November 17, 2014, meeting.

FINANCIAL REPORTS

John Furtado reported as follows:

Spendable Income: With two Sundays and Christmas Eve donations yet to be received, it is very likely that total spendable income for the year will exceed \$400,000. A summary of spendable income received is:

| | |
|----------------------------|------------------|
| January 1 thru November 30 | \$371,145.98 |
| December 1 thru 14 | <u>18,910.66</u> |
| Year-to-date | \$390,056.64 |

Reserve Fund: The balance as of 12/14/2014 is \$14,897.56. Withdrawals are reflected in the following table, with no withdrawals being expected during December this year:

| | 2012 | 2013 | 2014 | | 2012 | 2013 | 2014 |
|--------------|------|------|------|-----------|-----------------|-----------------|-----------------|
| January | \$0 | \$0 | \$0 | July | \$1,000 | \$8,500 | \$5,000 |
| February | \$0 | \$0 | \$0 | August | \$8,000 | \$9,200 | \$0 |
| March | \$0 | \$0 | \$0 | September | \$4,500 | \$0 | \$8,500 |
| April | \$0 | \$0 | \$0 | October | \$4,000 | \$3,500 | \$5,000 |
| May | \$0 | \$0 | \$0 | November | \$3,000 | \$0 | \$0 |
| June | \$0 | \$0 | \$0 | December | \$1,000 | \$0 | ? |
| TOTAL | | | | | \$21,500 | \$21,200 | \$18,500 |

Expenses: We are still spending below budget. Through the end of November, the YTD amount of *budgeted* expenses is \$403,341, while *actual* expenses incurred totals \$365,496.

DISCUSSION OF ACCOUNTS

Questions were posed about some of the accounts reflected in the Balance Sheets for the month of November 2014.

320.028, Facility Up keep Balance, \$1,652.83

This account was previously titled “Roof Maintenance Balance” and the balance in that account was \$202.83. The account was renamed to more accurately describe its future use; i.e., using the funds for upkeep of our facilities. The amount of \$1,450 (the amount of our prior mortgage) will be put into the account each month. Ideally, this monthly-input will occur year-round, since a mortgage (if it existed) would be paid monthly without question. However, the situation will be re-visited in a few months when spendable income drops dramatically. Those funds could be used to pay then-current bills instead of having to pull on the Reserve Fund.

330.013, Cuba Sister Church Balance, \$3,763.00

330.014, Cuba Mission Fund Balance, \$404.00

The amount of \$404 was designated for travel to Cuba when that account was established. Because people who initially donated were designating their contributions to travel expenses, that designation cannot yet be changed. Although it is anticipated that most people who travel to Cuba will pay their own way, 330.014 *might* be used to assist them. Funds in the other account are specifically for our sister church in Nicaro.

320.002, Debt Reduction Balance, \$915.00

320.026, Facility Expansion Balance, \$6,400.51

Amounts are going into these accounts from people who still donate to “debt reduction” or to the 1% Club. If those who donate to 320.002 give permission to transfer that money into 320.026, then 320.002 will be closed.

330.002, Habitat for Humanity 2012 Balance, \$2,009.28

This same balance has been in the account since August 2012, with no additional income or disbursements since then. Ideally, this amount should have been forwarded to Habitat during GCUMC’s participation in the 2012 program. The December 13, 2014, edition of The Charlotte Sun newspaper contains an article asking for participants in the Apostles Build 2015 program. Habitat is asking for a commitment of \$4,200.

320.011, Wish List Fund, \$2,775.91

The church wish-list is made up of a variety of items, some small and others large. The funds in this account are primarily from only a few individuals who specifically ask about a “wish list” every year. Some things on the list include replacing the portables with an education building, office furniture, an updated sanctuary projector, and LED lighting for the sanctuary.

320.008, Mills Memorial Garden Balance, \$1,480.37

320.029, Rewey Memorial Garden Balance, \$4,094.79

The Mills Garden is next to the gazebo on the church-side of the pond. A sidewalk leads you to the Rewey Garden on the far side of the pond. Charlotte County has stopped any more cremated individuals from being added to the Rewey Garden because it is technically in a flood zone. The money in the accounts is dedicated to each garden’s upkeep. Currently, the custodian takes care of the gardens.

340 Series, Memorial Funds, \$9,841.70 Total

Funds in these various accounts are used for purposes which are designated by the family of the deceased. If a balance remains after one or two years, the family is contacted about using the funds for another purpose. In the past, funds have been moved into accounts for the Closet of Hope, the Reserve Fund, Outreach, and a new sound booth.

320.022, Heifer Fund Balance, \$169.14

Income in this account comes primarily from Children's Church, while an expense represents a disbursement to Heifer International. The following accounts reflect Heifer Fund activity:

| <u>Account #</u> | <u>Account Title</u> | <u>Amount</u> |
|------------------|--------------------------------|---------------|
| 320.022 | Heifer Fund Balance 12/31/2013 | \$749.44 |
| 420.022 | Heifer Fund <i>Income</i> YTD | \$339.70 |
| 520.022 | Heifer Fund <i>Expense</i> YTD | \$920.00 |
| 320.022 | Heifer Fund Balance 11/30/2014 | \$169.14 |

2015 BUDGET

Three adjustments to the 10/7/2014 presentation budget have been made and are reflected in the 12/9/2014 presentation budget:

506.100, Church Property & Building Maintenance Expense.

Reduced from \$35,000 to \$23,000. There is approximately \$5,000 available in the Trustees account (320.039) for maintenance (the balance in that account is being held for property taxes and security deposits). The amount in account 320.028, Facility Up keep Balance, is also available to the trustees for upkeep. Irv explained that when Jo Ann was trustee chairman, he had watched her struggle to make the most urgent repairs. This year when he was trustee chairman, he experienced the problem first-hand, even though expenses under his tenure were not as large as Jo Ann's had been. By requesting the additional \$12,000, he was hoping for a cushion from which necessary upkeep and maintenance expenses could be paid.

506.130, Property Insurance Expense

Increased from \$18,000 to \$19,800. Dawn has not yet received the final figure on the increase to the premium. But since Conference has advised that the increase will likely be in the 5% to 10% range, Dawn increased this line item by 10% (\$18,000 x 110%).

506.135, Cleaning Service Expense

Reduced from \$3,168 to \$3,000. It is believed this is for out-side contractors other than Mike Lackney, for those jobs which he does not handle.

Comments were also made about other accounts:

509.130, Youth Fellowship Expense

The request for \$1,200 is contained in the budget. The additional \$1,000 which was requested for a summer intern-type position has not yet been addressed by SPR, and will likely not be included in the 2015 budget.

501.156, Staff Discretion Expense

No one knew what type of expense is covered by 501.156 or why it is in the same amount (\$750) as 501.155, Pastor's Discretion Expense.

501.160, Bereavement Expense

This account is meant to be a "starter" fund of \$100, to pay for food when a memorial service is held. Although most people reimburse the church for the expense, this is not always the case.

504.250, Lay Staff Development

Presumably the \$2,000 allocated to this account is for training. No information is available for this category. [In 2008 and 2009, there was no account numbered 504.250. In 2010 and 2011, account 504.250 was titled "Lay Staff Expenses." For 2012, 2013, and 2014, there is no lay staff line-item breakout in the financial reports; only the 504 series lump sum figure for lay staff is shown.]

504.255, Lay Staff Bonuses

No one knew the background for the amount of \$600 being designated for these bonuses.

505.105, Parsonage Utilities Expense

The renters pay their own utilities (water and electric), so the church does not have this \$900 expense *unless* the renters leave. The trustees paid to have the septic system pumped when a problem was repaired in 2013, so it should not need to be pumped for at least two years. The whole system was replaced three years ago.

506.126, Property Taxes for Parsonage Expense

Pursuant to the trustees' request, Dawn sets aside each month \$200 of the parsonage rental income specifically to cover parsonage property taxes. (The church is now liable for property taxes on the parsonage because it is being rented, and not being used as a parsonage.) The money is being retained in the Trustees account (320.039), and it was felt that this separate account for \$500 (506.126) is not needed.

509.170, Leadership Development

This account is for training. It was questioned why \$3,000 is needed in 2015. The following table reflects a history of this account – what was *budgeted* and what was *actually* used:

| | Annual Budget | Used |
|------|---------------|-------------------|
| 2008 | 2,000 | 655 |
| 2009 | 2,000 | 1,226 |
| 2010 | 2,000 | 1,762 |
| 2011 | 2,000 | 303 |
| 2012 | 1,000 | 213 |
| 2013 | 2,000 | 572 |
| 2014 | 3,000 | 521 (thru Nov) |

SUMMARY & RECOMMENDATION

Although it is possible that further adjustments could be made to this “living” budget, all voting members who were present (plus Ken Priest as lay leader and Joan Priest as SPR Chairman who could not make tonight’s meeting but previously indicated their agreement to John Furtado) agreed to the 2015 budget as presented in the Presentation Budget Report dated 12/9/2014.

All were reminded, however, that even though the 2015 budget totals \$457,385, the action of putting \$1,450 each month into account 320.028 (i.e., the prior mortgage payment) is NOT reflected anywhere in the budget. As a result, the 2015 budget should equal \$457,385 plus \$17,400 (\$1,450 x 12), for a revised total budget of \$474,785. Averaging this budget out over 12 months raises the amount of our average monthly expenditures to \$39,565.

A comparison of actual expenses of \$365,496 as of 11/30/2014, to the total annual budget of \$403,341 for 2014, reflects that we are spending about 90% of our budget. Hopefully, this will follow through to 2015.

The Finance Committee recommends to the Church Council that the Presentation Budget Report for 2015 dated 12/9/2014 be adopted.

ADJOURNING

The meeting was adjourned at 7:50pm with a prayer by Rick Starck. The next scheduled meeting is Tuesday, January 20, 2015, at 7:00pm (Monday is a holiday).

Respectfully submitted,
Dana Hanson