

## **Finance Committee Minutes**

January 27, 2023

6:00 p.m.

### **Present:**

Kevin Baker, Jimmie Bean, Marilyn Boyce, Christy Denham, Crystal Drum (Chair), Bren Fuetz, Roger Fulp, Annette Harpine, Regina Harrison, John Liles, Tonya Morton, Paula Roberson, Buddy Rogers, Bill Smith, David Wilmoth

Guest: Corry Frazier

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Crystal called the meeting to order at 6:00 p.m. and lit the Christ candle. Pastor Kevin opened with prayer.

An agenda and several handouts were distributed to include 2023 Finance Meeting Dates, Cash Control Policy, Gifts and Endowment Committee Guidelines, Procedure for Offering Deposit, Professional Reimbursement Policy, Pastor's Discretionary Funds guidelines, Fundraising Policy and Procedures, and the Fundraising After Action Report template. Other expense and income handouts were distributed as well as spreadsheets prepared for information regarding the budget status.

### **OLD BUSINESS**

#### **December 8, 2022, Finance Committee Meeting Minutes**

The committee reviewed the minutes from the December 8th meeting. There were no changes or corrections, and the **committee approved the minutes** as written.

#### **Credit Card and Check Procedures**

The credit card and all expenditure/check procedures are being evaluated and updated.

#### **December Financial Reports**

The December 2022 Financial Summary was reviewed by the committee. December income totaled **\$128,711.30** and expenditures were **\$138,591.53**.

The YTD (2022 calendar year) income was **\$1,080,668** and the YTD expenditures were **\$1,292,331.86** leaving a YTD deficit of **\$211,643.28**. Funds from prior year surplus and one-time COVID grants were used to cover this operating deficit.

#### **Cash Analysis as of December 31, 2022**

The total current restricted and unrestricted cash balance as of December 31, 2022, was **\$647,020.08**. The available unrestricted fund balance was **\$395,421.50**.

## **NEW BUSINESS**

### **Annual Review**

The annual financial review was performed in January 2023. Christy Denham expects to have the report by the end of February.

### **2023 Budget Status**

The proposed 2023 budget was submitted to the Church Council, and it was **not approved** as submitted. The Finance Committee was asked to re-work the budget and resubmit it in February.

In order to better prepare a budget, the Finance Committee discussed three methods to predict income. Jimmie Bean distributed handouts on these three methods.

The four largest budget expense categories are:

1. Staffing and Benefits, \$577,725 (43.66% of budget)
2. Operation/Maintenance of Church, \$295,961 (22.39% of budget)
3. Debt Payments (Mortgage balance = \$1,142,313) \$232,475 (17.57% of budget)
4. Apportionments, \$116,662 (8.82% of budget)

These categories make up 92.44% of the total budget and, therefore, are the areas that need to be thoroughly analyzed for spending cuts.

The Finance Committee discussed suggestions and proposals on how and where to make cuts. Jimmie Bean distributed a three-year budget proposal. The Committee reviewed it and discussed the options. The best option is that the budget is reduced by \$200,000 this year, \$200,000 in 2024 and \$100,000 in 2025.

Some suggestions to reduce the budget by \$200,000 in 2023, and increase giving were:

- Ask the leaders of the SPRC and Trustees to propose reductions by February 15
- Pastor Kevin to develop a donation matching program
- Communicate with the congregation the status of the budget so everyone is fully aware of the dire situation
- Review/Revise maintenance contracts
- Church bonds
- Refinance the mortgage on Building 3

### **Next Meeting**

The Finance Committee will meet again on February 16, 2023.

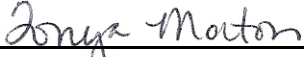
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**Adjournment**

There being no further business, the meeting adjourned at 7:50 p.m. and Pastor Regina closed the meeting with prayer.



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Tonya Morton, Recording Secretary