

Where Does the Money Go?

A Guide to the Source and Use of First Church Funds

As members and friends of First Church, you give generously to its missions and ministries. Our church has several different ways to give and many different funds to give to. We have general funds that cover the operating budget and we have lots of designated funds that people give for specific purposes. Here is a brief description of the purposes, sources of giving, and uses of the funds at First Church.

DISCOVERY CORNER

This self-funding ministry of First Church provides a loving, Christian environment to pre-schoolers both in and outside of First Church.

SOURCE: Designated tuition, gifts, grants, fundraising

USES: Salaries, scholarships, supplies

TRUSTEES

The Board of Trustees maintains all our facilities and rental properties.

SOURCE: Family of Funds Capital Improvement Fund, Feagley Trust

USES: Major building repairs and maintenance, renovations, garden upkeep, equipment and technology, debt reduction (\$5K per year)

RENTAL PROPERTIES

This is a self-funding investment, overseen by the Trustees.

SOURCE: Rental income

USES: Property management, repairs, and debt reduction

FAMILY OF FUNDS (FoF)

The Church Endowment Fund (established in 1987) invests wisely, grows our resources and provides support to designated ministries. The initial \$1M investment has increased to \$2.7M *AND* provided over \$1.5M for ministry and mission over the years. The Family of Funds distributes approximately \$100K each year to 12 specific purposes designated by the Charge Conference.

SOURCE: Designated bequests, undesignated bequests (currently redirected to debt reduction until 2011), other designated gifts, interest

USES: Trustees (Capital Improvement), Pastoral Housing and Connectional Ministries (both paid to the Operating Fund), Neighborhood Ministries, Chimes, Organ, Cherub and Carol Choirs, Scholarships, Missions, Pastor's Discretionary, FoF Discretionary, and Special Ministries Funds.

DESIGNATED GIFTS

Members and other donors designate gifts, also known as *Temporary Restricted Accounts (TRAs)*.

These gifts can only be spent for their donor-designated purpose. These TRAs include: New Orleans, Nicaragua, Youth Wing Renovations, Prison Ministry, Worship, and many others.

SOURCE: Gifts, special offerings, fundraising

USES: As designated

MEMORIAL FUNDS

These donor-designated funds are given "in lieu of flowers" or as requested by the family. Purchases are usually permanent and tangible and decisions are made with the family's approval or suggestion.

Each All Saint's Sunday the memorial gifts are listed.

SOURCE: Donor-designated gifts

USES: Some current and planned uses include: furniture, artwork, the Welcome Center, video displays for the choir, digital displays for the hallways



DEBT REDUCTION

In order to build and renovate our building, we borrowed \$6.35M payable over a 20 year period. Capital Campaigns are the way we raise the money to repay this debt. Our original campaign, *Upon This Rock*, allowed us to complete construction and renovations (including the newly renovated Student Ministry Area). Our current campaign, *Expanding Horizons*, is the first in a series of campaigns specified for debt reduction.

SOURCE: Donor-designated gifts/pledges (\$2.1M), bequests (est. at \$50K per year), Trustees (\$5K per year), Operating Fund (currently at \$30K for 2008 and increasing \$10K per year), rental income (\$32K per year)

USES: Debt Reduction by paying the interest payment (about \$32K/ month) as well as making payments toward our \$1.35M balloon payment on principal in 2011.

OPERATING FUND/ GENERAL FUND

This fund supports the annual operating budget of First Church. It covers the day-to-day operations of the building, staff salaries and ministry expenses.

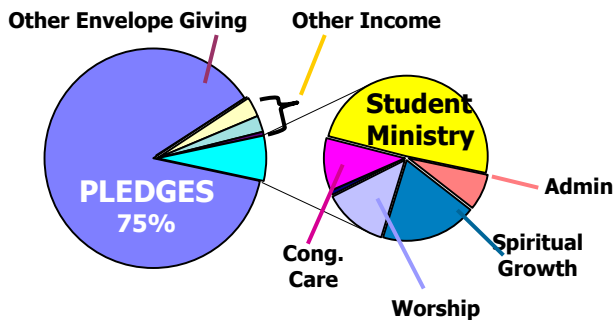
SOURCE: The main source of income for the Operating Budget is from donor-designated offerings. This is made up of Anticipated Pledge Income (75% of all income), plate offerings, Church school offerings and Initial Envelope offerings.

Many ministries also have some sources of income. These could range anywhere from the income received from donations for cappuccino to the registration fees for Student Ministry retreats and/or mission trips.

Finally, a small part of our income is received from Facility Usage. This number is fairly low at this time as we currently try to determine a generous pricing policy for non-profit use of our facilities.

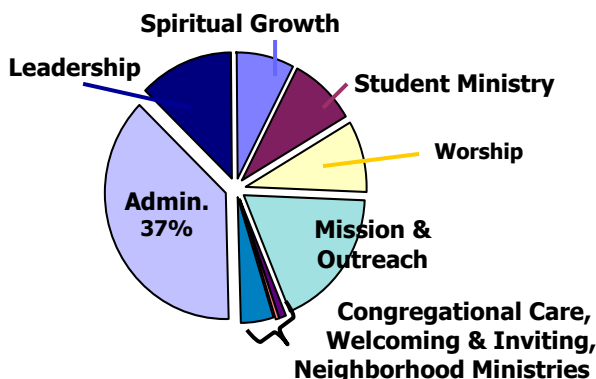
Our anticipated income for 2008 (\$1.265M) is approximately the same as 2007 actual revenues (\$1.258M) while expenses have increased slightly (\$1.341M in 2008 vs. \$1.257M, 2007 actual expenses).

2008 Anticipated Income



USES: Each Ministry Team reviews its ministries every year to determine the budget needs for the annual budget. These budget needs are reviewed

2008 Anticipated Expenses



by the individual Teams, the Senior Staff, Leadership Team, Finance Team, and finally Church Council. Church Council adopts a balanced budget for each budgeting year.

Once the budget has been determined, it is then reviewed to determine a month-by-month spending plan. We know that gas bills will be higher in the winter due to heating costs, and electrical costs will rise during the air conditioning months. Income tends to be consistent for most months, but we face a drop during the summer months and then a large increase during December. With the use of Electronic Giving, this up and down pattern has been leveled out somewhat.

The current 2008 budget increased just 3% over the 2007 budget. This, despite increases in the debt reduction amount, increased utilities and maintenance expenses, increased insurance costs, and additional staffing. If these items all increase and the budget remained almost flat, that means that vital ministries had to have been reduced.

A number of ministries have been pulled from the Operating Budget and are being covered by Special Offerings or Family of Funds distributions. These funds had previously been used for ministry over and above the Operating Fund.

Salaries and benefits account for 53.52% of our budget. Volunteers get things done and make ministry happen.

The budget belongs to everyone who has taken the membership vows when joining First Church. Please feel free to ask about all things financial. All budgets and records (except staff and individual giving amounts) are open to members and friends. Copies of the budget are available at any time by contacting Diane DeLuna, the Minister of Administration.

In addition, feel free to ask questions or give opinions to:

- Church Council Chair—Jeff Steed
- Lay Leader—Betty Helms
- Financial Chair—Dana Nonnenmocher
- Pastors—J. William Lentz, Jr. and Kerry Leeper