

McEachern Memorial United Methodist Church  
Stay UMC vs. Disaffiliation Financial Evaluation

## **Cost Projections and Sustainability Analysis**

Presented by MMUMC Stewardship Committee  
to Finance Committee

July 17, 2023/Revised July 31, 2023

*Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it?*

Luke 14:28



## Summary of Conclusions

### Summary of Conclusions – Costs:

1. **Should MMUMC vote to disaffiliate from the UMC**, year one cost projections for a disaffiliated church are: 10% loss in giving - **\$1,212,328**; 20% loss of giving - **\$1,371,409**; 30% loss of giving - **\$1,530,490**.
2. **Should MMUMC decide to remain UMC**, year one cost projections for a #StayUMC church are: 10% loss of giving - **\$159,081**; 20% loss of giving - **\$318,152**; 30% loss of giving - **\$477,243**. **Note:** Driving factors for the significantly reduced cost projections for remaining UMC are continued receipt of the proceeds from the McEachern Trust Fund (\$700,000 +/- annually) and not having to incur the significant costs of disaffiliation (\$400,000+).

### Summary of Conclusions – Sustainability:

1. **Should MMUMC decide to remain UMC**, based on a 10% loss of giving, a church that remains in the UMC with the current level of staffing, ministries, and services would have 5.3 years of financial sustainability before cash reserves are depleted. At a 20% loss of giving, the church would have 2.6 years of financial sustainability before cash reserves are depleted, and based on a 30% loss of giving, the church would have 1.7 years of financial sustainability before cash reserves are depleted.
2. **Should MMUMC vote to disaffiliate from the UMC**, with the first year's costs at \$1,212,328 for a disaffiliated McEachern at just a 10% loss in giving, the church's finances would be cash-unustainable after 9 months of operation without severe and significant cost reduction measures (staffing and ministries) and/or the sale of tangible assets (land and/or buildings). A sale of a land parcel and/or cost reduction measures would have to generate more than \$369,000 just to carry a disaffiliated church to the end of year one, after which further land sales or cost reduction measures would need to be implemented to remain financially viable.

### Supportive Notes:

- A. It will cost McEachern more than \$400,000 to disaffiliate from the UMC.
- B. Should it choose to disaffiliate from the UMC, McEachern will be required to refinance its current loan with Truist Bank at a cost of \$39,827 annually.

- C. The McEachern Trust Fund may or may not remain with the church if it disaffiliates. ONLY a court will decide that issue and it will probably take years to have the case fully resolved. All payments from the trust will most likely terminate temporarily until the court case is decided. For a disaffiliated McEachern, these payments may never resume. However, only if we choose to remain UMC will we have no disruption of trust payments to the church.

## Executive Summary

### MMUMC Stay UMC vs. Disaffiliation Analysis

#### Part A: Year 1 Analysis (As of June 2023)

This analysis is presented to demonstrate the difference in financial viability and sustainability between a McEachern that remains in the UMC versus one that disaffiliates from the UMC.

**Assumptions:** The Executive Summary herein below is reflective of maintaining current staff (with no adjustments in pay or benefits), ministry programs, missions gifting and other existing expenses at current/historical levels. Thus, the analysis intentionally does not include cost reduction planning, staff cuts and/or the sale of assets to remain financially viable into the future. Please see Addendums A through E attached hereto for details, backup documentation and additional information for each category of cost outlined below.

<u>Description</u>	<u>Stay UMC</u>	<u>Disaffiliate From UMC</u>
NGC cost to disaffiliate		
Apportionments <sup>1</sup>	\$0	\$137,277
Pension Liability	\$0	\$124,143
Pastoral Salary/Benefits	\$0	\$22,000
Addendum A		
Other Estimated Costs of Disaffiliation	\$0	\$30,000
Addendum B		
Costs of Refinanced Loan	\$0	\$39,827 (Annually)
Addendum C		
Lost Trust Fund Proceeds	\$0	\$700,000 (Annually)
Addendum D		
Loss of Giving at 10%	<u>\$159,081</u>	<u>\$159,081 (Annually)</u>
Addendum E		
<b>Total Costs at 10% loss of giving</b>	<b>\$159,081</b>	<b>\$1,212,328</b>
<b>Total Costs at 20% loss of giving</b>	<b>\$318,152</b>	<b>\$1,371,409</b>
<b>Total Costs at 30% loss of giving</b>	<b>\$477,243</b>	<b>\$1,530,490</b>

<sup>1</sup> This Apportionments line-item measures costs that will be due and/or paid at the time of disaffiliation. MMUMC has paid apportionments for 2023 through July and will be paying such apportionments on a monthly basis thereafter through the end of the year. Thus, at the time of disaffiliation, should that occur, 2023 apportionments will have been paid in either scenario and factored into the budget for the year. For this reason, only one year of apportionments are represented in the disaffiliation analysis.

## **Notes**

1. These cost projections are for Year One post-vote on disaffiliation only. For purposes of carrying the Sustainability Analysis (Part B of the Report) into Year 2 and beyond, we have used only the following categories of continuing costs: (1) Costs of Refinanced Loan (\$39,827 annually); (2) Lost Trust Fund Proceeds (\$700,000 annually); and (3) Loss of Giving (\$159,081-\$636,324 annually). One-time costs of disaffiliation are not carried into future years.
2. See the following page for Part B: **Sustainability Analysis**
3. It is important to note that an unquantifiable cost exists for a disaffiliated church, **the impact resulting from the loss of our new Senior Pastor (Craig), our Senior Associate Pastor (Cindy), and our Minister of Music and Worship (Tanya), who have all indicated publicly that they will remain in the UMC.** The loss of their presence in our congregation would occur on or around November 30, 2023 if a disaffiliation is consummated at Annual Conference. The cost per annum to replace these individuals will be higher than the current cost to our church. These costs are not yet reflected in this analysis; however, they will be a factor in a disaffiliated church.

**MMUMC Stay UMC vs. Disaffiliate Analysis**  
**Part B: Sustainability Analysis (As of June 2023)**

**Church Budget Account (See Exhibit A)**

Cash on Hand - \$1,151,402  
Restricted Amount - \$501,923  
Unrestricted Amount - \$649,479

**Trustees Budget Account (See Exhibit A)**

Cash on Hand\* \$1,279,396  
Reserves Amount\*\* \$860,272  
Unrestricted Amount \$419,123

**\*Note:** On 5.1.23, the Trustees secured an 11-month CD with \$500,000 of the cash on hand.

**\*\*Note:** the reserves are not all restricted; see the Trustees line – item budget for more information about which categories of funds are actually restricted and the categories that are “predetermined for expenditures” but could be redirected as desired.

**Analysis of Unrestricted Cash Balances**

The Church Budget and Trustee accounts of unrestricted cash balance(s) total: **\$1,068,602** (\$649,479 + \$419,123)

Currently there is a projected General Budget shortfall for 2023 of **\$225,000**. (See Exhibit B; current shortfall for first 6 months is \$146,853, so carrying that through an additional six months to the end of the year yields a shortfall of approximately \$294,000. \$225,000 is a conservative number to use for this calculation).

Assuming the projected budget deficit of \$225,000 is paid off by reserves at year end 2023, the amount of unrestricted cash remaining to start 2024 would be **\$843,602** (\$1,068,602-\$225,000).

## **Analysis of Future Years Financial Sustainability**

### **Stay UMC**

Unrestricted Cash Reserves: **\$843,602**

Based on a 10% loss of giving, the church would have 5.3 years of financial sustainability before the reserves were depleted (\$159,081 per year x 5.3 years = **\$795,405**). At 20% loss of giving, the church would have 2.6 years of financial sustainability before the cash reserves were depleted (\$318,152 per year x 2.6 years = **\$827,195**). At 30% loss of giving, the church would have 1.7 years of financial sustainability before cash reserves were depleted (\$477,243 per year x 1.7 years = **\$811,313**).

**Note:** These calculations assume no growth which is unlikely given a 2+ year runway as the community rallies around our new Senior Pastor and McEachern is converted to a Lighthouse UMC.

### **A Disaffiliated McEachern**

Unrestricted Cash Reserves: **\$843,602**

With the first year's costs at \$1,212,328 for a disaffiliated McEachern at just a 10% loss in giving, the church's finances would be unsustainable after 9 months of operation without severe and significant cost reduction measures and/or the sale of tangible assets (land and/or buildings) was quickly achieved<sup>2</sup>. A sale of a land parcel and/or cost reduction measures would have to generate more than \$369,000 just to carry the disaffiliated church to the end of Year One, after which further land sales or cost reduction measures would need to be instituted to remain financially viable. At a 20% loss in giving, first year costs would total \$1,371,409, leaving 7.5 months of financial viability before significant cost saving measures would be required. At a 30% loss in giving, the disaffiliated church would endure costs totaling \$1,530,490, further reducing the timeline to 6.5 months. Of note – would the Missions' programming and budgeting be significantly reduced as staff is reduced and property is sold?

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<sup>2</sup> MMUMC's ability to sell land quickly remains in question given the fact that there is a charitable land trust benefitting a UMC congregation attached to at least some of the land owned by the church.

## **Addendum A**

### **NGC Cost to Disaffiliate**

Were McEachern to disaffiliate from the UMC, the process and agreement adopted by the North Georgia Conference requires the payment of certain monies by the disaffiliating church. Specifically, the Disaffiliation Agreement between McEachern and the North Georgia Conference contemplates payment of 2 years of apportionments<sup>3</sup>, McEachern's pension liability, the repayment of any grants or loans from the UMC in the last five years, and all UMC clergy salary, housing allowance and benefits through the end of the calendar year of disaffiliation. (See NGC Disaffiliation Agreement, Exhibit C).

***What Are Apportionments?*** One of the unique and defining factors of the United Methodist Church is that we are Connectional. One way we show this connection is through apportioned giving. Apportioned giving is a term which describes how the money you give to your church is divided and distributed throughout the United Methodist Church at large. Each year, the conference sets apportionment amounts for each church, and those payments are made to the conference so we are able to participate in the ministry and mission of the United Methodist Church both locally and around the world.

***What Is Pension Liability?*** The United Methodist Church has consistently maintained some form of "defined benefit" for clergy in all its pension plans, both present and past. In a defined benefit plan, the employer (here, the UMC) undertakes a promise to pay a set amount to a retiree for the rest of the retiree's life, and in some cases, for the rest of a spouse's life. Those plans are administered by Wespath Benefits & Investments, but they are funded by annual conferences and local churches. All churches have amounts due to this retirement plan on behalf of its pastors, past and present, as calculated by actuaries who administer the plans. These pension monies owed are the amounts that will need to be paid in the disaffiliation process.

***What Pastoral Salaries and Benefits Will be Owed?*** MMUMC currently has two appointed UMC pastors, Craig Hutto and Cindy Blocksidge. Pursuant to the North Georgia Conference Disaffiliation Agreement, MMUMC will be responsible for paying any unpaid salary and benefits due to these UMC clergy through the disaffiliation effective date and prepayment through the end of the calendar year of church exit (2023). This payment will include all salary, housing allowance and benefits should our appointed UMC clergy elect to remain United Methodist after a church vote to disaffiliate. Both of our UMC Pastors have stated their intent to remain in the UMC (and thus leave MMUMC) should it disaffiliate, so MMUMC would owe the identified payments through December 31, 2023, despite the fact that their service to MMUMC will end on November 30, 2023. This will be amounts owed in addition to payment of salary and benefits for new pastor(s) to lead the disaffiliated church through Advent and into the future.

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<sup>3</sup> Note: MMUMC's payment of 2023 Apportionments will be credited towards the 2 years of apportionments owed. MMUMC has paid apportionments for 2023 through July and will be paying such apportionments on a monthly basis through the end of the year. Thus, at the time of disaffiliation, should that occur, 2023 apportionments will have been paid. For this reason, only one year of apportionments are represented in the disaffiliation cost analysis.



**NGC Costs for McEachern to Disaffiliate**

Apportionments ( $\$137,277 \times 2$ ) = \$274,554 (See Exhibit D)<sup>4</sup>.

Pension Liability = \$124,143 (See Exhibit A; for more information, see [NGUMC.org](http://NGUMC.org)).

Unpaid Back Grants/Loans from UMC = \$0 (See Exhibit A).

Payout of current UMC Pastor's remaining Salary and Benefits (See Exhibit C, F) = \$22,000

**Total at Time of Disaffiliation (1 Year Apportionment + Pension Liability + Pastoral Salary and Benefits) = \$283,420**

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<sup>4</sup> 2023 Apportionments will have been paid at time of potential disaffiliation, reducing NGC disaffiliation costs to only one year of apportionments.

## Addendum B

### Other Costs of Disaffiliation

In addition to the costs of disaffiliation presented by the Disaffiliation Agreement with the North Georgia Conference, there will be other costs of disaffiliation to be borne by McEachern. Some of those costs are known, and some are estimated costs at this time because the true costs will not be known unless and until actions are taken by the church. For purposes of this Report, we have used the very conservative cost of **\$30,000** for these "Other Costs of Disaffiliation," though they can be expected to be much higher. Those costs include, without limitation, the following:

- Costs to remove UMC name and logos from all property at the church, including, without limitation, the following:
  - Church Signage (estimated costs: more than \$20,000);
  - Bibles/Hymnals replacement (estimated costs: \$14,580 – 485 books x \$30 each);
  - MMUMC Bus/Van Decals (estimated costs: \$1,000 - assumes staff installation);
  - Internal Building Signage; and
  - Printed Communications (brochures, giving envelopes, written communications).
- Attorney's fees for disaffiliation legal requirements, which shall include costs: (1) to set up a new entity per the NGC Disaffiliation Agreement, (2) to obtain new tax-exempt status outside of the UMC tax exempt umbrella, (3) to create new corporate governance documents (Articles of Incorporation and Bylaws), (4) transfer all legal documents to new entity (loan, preschool licensure, land, trust documents) and (5) other corporate matters (estimated costs from mid-sized law firm with specialized expertise – more than \$25,000);
- Costs to replace UMC connectional resources such as grants, staff and laity training, consultants, and programming, among others;
- Legal fees associated with anticipated Trust Fund litigation (both for land trust and McEachern Trust Fund). **NOTE:** \$20,000 has already been set aside by our Trustees for the purpose of obtaining a second opinion on the legal analysis of what will happen to the McEachern Trust Fund upon disaffiliation, which costs may or may not include any work towards legal proceedings in connection with the same (costs unknown, but significant);
- Severance packages for staff laid off by disaffiliated church per statements made by the SPRC Chairman in church council meetings regarding staffing plans post-disaffiliation;
- Increase in costs of insurance when obtained outside of the UMC; and
- Increased costs to provide pastoral and staff benefits when not provided through UMC programs.

## Addendum C

### MMUMC Refinance Loan

MMUMC currently has a commercial loan with Truist Bank.<sup>5</sup> The commercial note is dated September 24, 2019 and was originally in the amount of \$1,785,132.

The current loan balance (as of June 2023) is \$1,327,573 with payments of \$15,671.15/month required (but the church can pay more than this amount if it elects) (*See Exhibit A*).

The fixed interest rate on the existing loan is 4% until September 19, 2026, at which time any unpaid balance would become due and/or the loan must be refinanced. Renewal and/or a refinance would not be guaranteed at that time, but if it were refinanced, it would be at a current interest rate at time of refinance. For this reason, the increased annual costs of a loan refinance due to disaffiliation would last only through September 2026.

Disaffiliation from the UMC will require (this is not optional) that McEachern change its corporate entity to meet the requirements of the Disaffiliation Agreement from the North Georgia Conference (*See Exhibit C; Paragraph 5*). In the event of a disaffiliation, triggering such an entity change, the terms of our current loan require that the loan be satisfied because it is extended to McEachern Memorial UMC, Inc. as the entity. Furthermore, the Disaffiliation Agreement requires that the church either satisfy all of its other debts, loans, and liabilities, or assign or transfer such obligations to a newly formed entity (*See Exhibit C; Paragraph 4.b.*). Should the loan not be satisfied, but instead refinanced, refinancing would be based upon an independent church with no backing, support, or resources from the UMC. Moreover, interest rates are significantly higher now than they were in 2019 when the loan was refinanced.

The Disaffiliation Agreement from the North Georgia Conference requires satisfaction of any existing loan and/or a refinance with a new loan to a new non-UMC entity (*See Exhibit C*), so a more current interest rate would be applied to a new loan. Thus, a much higher monthly payment would result due to the current interest rates being higher than in 2019. A lower or similar payment amount might be achieved (even though there is a higher interest rate) if a longer term were negotiated, but this would result in more money being paid throughout the life of the loan than is currently owed.

For the purpose of the MMUMC stay/disaffiliate analysis, a comparison between the current 4% loan and a 7% loan was done (business loan interest rates vary widely based upon a number of factors, but 7% is a conservative number used for these calculations). Thus, using the remaining balance of \$1,327,573 to be satisfied, and a refinancing effort, an annual difference in MMUMC's required monthly payments would be around **\$39,827**.

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<sup>5</sup> Loan documents are held by the church's Financial Director, Sharon Ellis, but copies may be requested by church members for further review.

## **Addendum D**

### **MMUMC Trust Fund Proceeds**

**(See Trust Fund Notes from GDCR Presentation at Trustees on May 15, 2023, Exhibit E)**

#### **Background**

The McEachern Trust Fund was established in the Last Will and Testament of Lula Dobbs McEachern dated September 11, 1948. The Will named as beneficiary of 10% of the net income of the trust “the McEachern Memorial Methodist Church at Macland, near Powder Springs, Cobb County, Georgia.” Upon her death in 1949, the McEachern Trust Fund was officially established. The fund has grown significantly over the last 74 years, as have the distributions made to our church. The fund is currently managed by Wells Fargo Private Bank. Distributions are made to the church on a quarterly basis, and the Wells Fargo trustees determine the amounts of those quarterly payments in accordance with legal documents governing the trust.

#### **Trust Fund Financials**

The McEachern Trust fund proceeds paid to the church from May 27, 2022 to present are \$1,006,902 (See Exhibit A), which is an unusually high(er) annual proceed amount than annualized distributions from the past several years which have ranged from \$450,000 to \$700,000+. To fairly analyze the impact of the Trust fund on the church’s finances, we annualized and averaged recent past historic distributions to use \$700,000 instead of the unusually high recent distribution (or the historically lower ones).

Since the MMUMC Trust fund proceeds are annually fluid, projections of future proceeds could be higher or lower than the \$700,000 amount, as solely based on the Trustee’s (Wells Fargo) decision of distribution amounts.

#### **Impact of Disaffiliation on the McEachern Trust Fund**

On May 15, 2023, the McEachern Board of Trustees hosted an accomplished Trusts & Estates attorney who has been practicing for more than 20 years to provide a presentation on how the law of trusts and non-profit corporations in Georgia could impact efforts by McEachern to disaffiliate from the United Methodist Church and take the McEachern Trust Fund and real estate property and assets with it. The attorney has been involved in researching the McEachern trust issues for a number of months, and the presentation was a culmination of the findings from her research and legal analysis. (See Notes from the Presentation at Exhibit E).

What is clear from the presentation is that the McEachern Trust Fund is **not** guaranteed to remain with the church if it disaffiliates. Were McEachern to disaffiliate from the UMC, future beneficiaries of the McEachern Trust Fund will be determined by a court. Thus, a real possibility

exists that MMUMC could disaffiliate and have no future income from the McEachern Trust Fund. At best, the outcome is uncertain and likely to take significant time, legal expenditure, and legal proceedings to sort out, during which time there would be no money flowing to the church from the Trust Fund proceeds. For this reason, the financial analysis of the impacts of disaffiliation in this report reflect termination (temporary or otherwise) of payments from the McEachern Trust Fund proceeds to a disaffiliated church.

**Choosing to remain UMC will result in NO changes to trust fund distributions.**

## **Addendum E**

### **MMUMC Loss of Giving Basis**

Whether McEachern remains in the UMC or chooses to disaffiliate, all agree that there will be some attrition of membership in the ensuing months. Projections for those losses in membership, and thus in giving from those who leave, are all over the place, and those ranges vary in a stay or leave scenario as well. Though difficult to predict, any financial sustainability analysis should factor in a loss of giving. Thus, this report calculates a loss of giving at three separate levels (10%, 20%, and 30%) in order to demonstrate the costs at each level of loss. These numbers represent a good faith estimate of loss of giving.

Total giving to the General Budget in 2022 was \$1,590,810 (See Exhibit A).

In recent/past years, that level of giving has been higher by 10 – 20%, but this is the amount used in the basis below for potential loss of giving, whether a disaffiliation occurs or not. The trend at McEachern over the past couple of years has been for giving to decrease year over year, thus we used 2022 giving levels as a conservative measure, though it's likely that 2023 numbers will be lower.

Since there is no way to accurately predict what the actual loss of giving will be one way or another - stay or disaffiliate, in the MMUMC Stay/Disaffiliate analysis, it is assumed that the loss of giving levels will be based on \$1,590,810 for each with an assessed loss rate of 10%, 20%, and 30%.

**Based on \$1,590,810 in annual giving from 2022:**

- **10% loss equals \$159,081**
- **20% loss equals \$318,162**
- **30% loss equals \$477,243**

## **Addendum F**

### **Summary Financial Information for McEachern Memorial UMC**

What follows is a collection of summary level financial information used for analysis of the financial impacts arising from disaffiliation from the United Methodist Church. This information is based upon information provided by the church's Financial Director, Sharon Ellis, in an email dated June 21, 2023 (See Exhibit A), as well as the church's June 2023 Financial Report (See Exhibit B).

#### **Obligations to the United Methodist Church**

Annual Apportionments: \$137,277

Unfunded Pension Liability: \$124,143.13. This number has been set and will not change before 11/30

#### **Annual Giving**

Total Giving to General Fund in 2022: \$1,590,810

#### **Loan Information**

Loan Principle as of 5/31/23: \$1,327,573

Monthly Loan Payment Obligation: \$15,671.15 (\$11,097.40 Principal/\$4,572.75 Interest)

#### **Church Budget**

Cash on Hand: \$1,151,402.53

Restricted: \$501,923.00

Unrestricted: \$649,479.53

#### **McEachern Family Trust Fund**

Trust Fund Distributions 5/27/2022 to Present: \$1,006,902

##### Trust Budget:

*Cash on Hand*: \$1,279,396\*

*Reserves*: \$860,272

*Unrestricted*: \$419,123

\*McEachern secured an 11-month CD beginning 5/1/2023 for \$500,000

Exhibit A

**Financial Information Provided by Financial Director Sharon Ellis via Email on June 21, 2023**

[EXTERNAL SENDER]

Randy,

Thank you for your patience. Pace is recovering fine from having his wisdom teeth removed and told me to come to work today. lol.

So, quicker than I thought. Here is what I put together:

Annual Apportionments: \$137,277

Unfunded Pension Liability: \$124,143.13. This number has been set and will not change before 11/30

All Conference Grants were returned in January of 2023, and it has been confirmed that we are at \$0

Total Giving to General Fund in 2022 \$1,590,810

Loan Principle as of 5/31 \$1,327,573

Church Budget:

Cash on Hand \$1,151,402.53

Restricted: \$501,923

Unrestricted \$649,479.53

Trust Fund Distributions since 5/27/2022: \$1,006,902



Trust Budget:

Cash on Hand \$1,279,396\*

Reserves: \$860,272

Unrestricted \$419,123

\*We secured an 11-month CD beginning 5/1/2023 for \$500,000

Please let me know if you have any further questions.

Sincerely,

Sharon

Exhibit B

**MMUMC June 2023 Financial Report**

# McEachern Memorial United Methodist Church

6/30/23

	BALANCE 6/1/23	INCOME	PAID-OUT	BALANCE 6/30/23
Operating Budget	(118,414.03)	117,556.35	145,995.56	(146,853.24)
Programs:				
Recreation	25,156.30	5,602.42	7,361.02	23,397.70
Fine Arts Academy	4,814.41	-	-	4,814.41
Parent's Time Away	10,786.12	5,365.00	4,333.34	11,817.78
Preschool	166,148.31	(1,424.33)	33,001.40	131,722.58
Counseling Center	10,293.68	1,235.00	1,100.80	10,427.88
Subtotal	98,784.79	128,334.44	191,792.12	35,327.11
Salary W/H	12,695.50	26,061.92	38,757.42	-
Designated	1,111,923.09	105,076.39	117,599.65	1,099,399.83
Total	1,223,403.38	259,472.75	348,149.19	1,134,726.94

	LOAN BALANCE 6/1/23	PRINCIPAL	INTEREST	LOAN BALANCE 6/30/23
	1,327,573.37	11,097.40	4,572.75	1,316,475.97

## Budget Summary

Equity as of 1/1/2023 \$0.00

Revenue through 6/30/2023 \$ 771,502

### Expenses by Category:

Ministry & Mission	\$ 101,515
Salaries	\$ 549,052
Administrative	\$ 173,761
Debt Retirement	\$ 94,027
<b>Total Expenses</b>	<b>\$ 918,355</b>

Equity as of 6/30/2023 \$ (146,853)

Total Budget \$ 1,954,748

Percent of Budget Spent 47%

Cash & Cash Equivalents \$ 1,134,727

### Designated Funds:

Unrestricted Designated	\$ 610,000
Restricted Designated	\$ 489,400
<b>Total Designated</b>	<b>\$ 1,099,400</b>

Loan Balance \$ 1,316,476

Budgeted Financial Statement for Period 6 - June  
 Company#: 1 Name: McEachern Memorial UMC  
 Fiscal Year Beginning 1/1/2023

Description	Period	YTD	Annual	to Annual Budget %	to Annual Budget Dollar
<b>Department Name: 1 INCOME</b>					
<b>CHURCH NET INCOME</b>					
<b>INCOME</b>					
40100 Tithes and Offering	\$90,425.32	\$623,844.30	\$0.00	0.0000%	\$623,844.30
40150 Debt Retirement Fund	\$1,375.00	\$9,370.00	\$0.00	0.0000%	\$9,370.00
40175 Christian Life Center	\$60.00	\$460.00	\$0.00	0.0000%	\$460.00
40185 Tithes from Programs	\$4,018.75	\$27,686.80	\$0.00	0.0000%	\$27,686.80
40200 Trustees' Bldg Funds Committr	\$15,000.00	\$90,000.00	\$0.00	0.0000%	\$90,000.00
40250 Interest Income	\$4,177.28	\$16,435.68	\$0.00	0.0000%	\$16,435.68
40300 Miscellaneous	\$2,500.00	\$3,705.00	\$0.00	0.0000%	\$3,705.00
<b>TOTAL INCOME</b>	<b>\$117,556.35</b>	<b>\$771,501.78</b>	<b>\$0.00</b>	<b>0.0000%</b>	<b>\$771,501.78</b>

**Department Name: 10 MISSION & MINISTRY**  
**BUDGET**

<b>FAMILY LIFE SUB-TOTAL</b>					
50220 Live Nativity	(\$2,000.00)	\$131.60	\$4,000.00	3.2900%	(\$3,868.40)
50230 Fall Festival Community Event	\$0.00	\$0.00	\$3,000.00	0.0000%	(\$3,000.00)
50250 Church Celebrations	\$2,000.00	\$2,000.00	\$2,000.00	100.0000%	\$0.00
50260 Rally Day	\$0.00	\$0.00	\$2,500.00	0.0000%	(\$2,500.00)
<b>TOTAL FAMILY LIFE SUB-TOTAL</b>	<b>\$0.00</b>	<b>\$2,131.60</b>	<b>\$11,500.00</b>	<b>18.5357%</b>	<b>(\$9,368.40)</b>
<b>CONGREGATIONAL SUB-TOTAL</b>					
51001 Addiction & Recovery Support	\$0.00	\$0.00	\$500.00	0.0000%	(\$500.00)
51002 Carenotes	\$0.00	\$0.00	\$150.00	0.0000%	(\$150.00)
51004 Cong.Care Ldr Training & App	\$0.00	\$367.55	\$1,000.00	36.7550%	(\$632.45)
51005 Divorce & Single Parent Suppc	\$0.00	\$0.00	\$400.00	0.0000%	(\$400.00)
51008 Grief Support	\$0.00	(\$25.00)	\$1,000.00	-2.5000%	(\$1,025.00)
51010 Health & Wellness	\$0.00	\$0.00	\$650.00	0.0000%	(\$650.00)
51014 Stephen Ministry	\$0.00	\$0.00	\$500.00	0.0000%	(\$500.00)
51016 Comfort Srv-Candles & Invitat	\$0.00	\$0.00	\$100.00	0.0000%	(\$100.00)
51020 Resourcres Cong.Care	\$0.00	\$0.00	\$400.00	0.0000%	(\$400.00)
51050 Marriage Retreats/Events	\$0.00	\$0.00	\$1,000.00	0.0000%	(\$1,000.00)
51052 Ofc Supp-Cong. Care	\$0.00	\$50.16	\$200.00	25.0800%	(\$149.84)
51054 Postage-Cong. Care	\$0.00	\$0.00	\$100.00	0.0000%	(\$100.00)
51055 Bereavement-Cong.Care	\$0.00	(\$20.00)	\$1,000.00	-2.0000%	(\$1,020.00)
51070 Marketing Care & Counseling	\$0.00	\$1,000.00	\$2,500.00	40.0000%	(\$1,500.00)
<b>TOTAL CONGREGATIONAL SUB-TOT</b>	<b>\$0.00</b>	<b>\$1,372.71</b>	<b>\$9,500.00</b>	<b>14.4496%</b>	<b>(\$8,127.29)</b>
<b>MUSIC SUB-TOTAL</b>					
51505 Belts	\$0.00	\$201.37	\$400.00	50.3425%	(\$198.63)
51510 Worsip Anthems	\$0.00	\$610.81	\$5,000.00	12.2162%	(\$4,389.19)
51511 Christmas Concert	\$0.00	\$0.00	\$1,750.00	0.0000%	(\$1,750.00)
51512 Christmas Concert Media	\$0.00	\$0.00	\$350.00	0.0000%	(\$350.00)
51513 Holy Week Music	\$0.00	\$588.54	\$1,000.00	58.8540%	(\$411.46)
51519 Christmas & Easter Musicians	\$0.00	\$2,000.00	\$2,000.00	100.0000%	\$0.00
51525 Ensemble & Solo	\$0.00	\$13.35	\$300.00	4.4500%	(\$286.65)
51530 Instrumental Music	\$0.00	\$0.00	\$500.00	0.0000%	(\$500.00)
51545 Copyright Fees	\$0.00	\$0.00	\$600.00	0.0000%	(\$600.00)
51560 Music Subs (Vacation Time)	\$0.00	\$0.00	\$400.00	0.0000%	(\$400.00)
<b>TOTAL MUSIC SUB-TOTAL</b>	<b>\$0.00</b>	<b>\$3,414.07</b>	<b>\$12,300.00</b>	<b>27.7567%</b>	<b>(\$8,885.93)</b>
<b>CONT WORSHIP SUB-TOTAL</b>					
51740 Worship & Arts	\$0.00	\$0.00	\$15,000.00	0.0000%	(\$15,000.00)
<b>TOTAL CONT WORSHIP SUB-TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$15,000.00</b>	<b>0.0000%</b>	<b>(\$15,000.00)</b>

**WORSHIP SUB-TOTAL**

52020 Christmas Decorations	\$0.00	\$0.00	\$1,000.00	0.0000%	(\$1,000.00)
52025 Worship Aides	\$0.00	\$98.01	\$400.00	24.5025%	(\$301.99)
52028 Worship Media	\$89.70	\$414.00	\$850.00	48.7059%	(\$436.00)
52030 Worship Supplies	\$0.00	\$1,414.12	\$3,000.00	47.1373%	(\$1,585.88)
52035 Acolytes	\$0.00	\$0.00	\$200.00	0.0000%	(\$200.00)
52040 Candle Expense	\$0.00	\$0.00	\$400.00	0.0000%	(\$400.00)
52050 Flowers/Memorials	\$101.65	\$215.15	\$250.00	86.0600%	(\$34.85)
52070 Altar & Communion	\$0.00	\$86.88	\$500.00	17.3760%	(\$413.12)
52085 Piano Tuning	\$0.00	\$0.00	\$700.00	0.0000%	(\$700.00)
52090 Sanctuary Sound Equip	\$0.00	\$0.00	\$1,500.00	0.0000%	(\$1,500.00)
52100 Upper Room	\$0.00	\$172.80	\$300.00	57.6000%	(\$127.20)
<b>TOTAL WORSHIP SUB-TOTAL</b>	<b>\$191.35</b>	<b>\$2,400.96</b>	<b>\$9,100.00</b>	<b>26.3842%</b>	<b>(\$6,699.04)</b>

**EDUCATION SUB-TOTAL**

53120 Teacher/Ldr Training	\$0.00	\$0.00	\$250.00	0.0000%	(\$250.00)
53124 Tchr/Ldr Adult Appreciation	\$0.00	\$0.00	\$200.00	0.0000%	(\$200.00)
53126 Care & Concern	\$0.00	\$0.00	\$150.00	0.0000%	(\$150.00)
53410 Subscriptions/Right Now	\$0.00	\$2,749.89	\$2,800.00	98.2104%	(\$50.11)
53530 Adult Sunday School	\$0.00	\$230.16	\$2,500.00	9.2064%	(\$2,269.84)
53536 Adult Small Group Bible Study	\$0.00	\$0.00	\$1,500.00	0.0000%	(\$1,500.00)
53537 Adult Library	\$0.00	\$0.00	\$100.00	0.0000%	(\$100.00)
53542 New Believers Education	\$0.00	\$0.00	\$500.00	0.0000%	(\$500.00)
53570 Seniors Ministry	\$0.00	\$0.00	\$1,000.00	0.0000%	(\$1,000.00)
<b>TOTAL EDUCATION SUB-TOTAL</b>	<b>\$0.00</b>	<b>\$2,980.05</b>	<b>\$9,000.00</b>	<b>33.1117%</b>	<b>(\$6,019.95)</b>

**CONNECTIONS MINISTRY-TOTAL**

54025 Hospitality Ministry	\$0.00	\$0.00	\$1,000.00	0.0000%	(\$1,000.00)
54065 Discover McEachern	\$0.00	\$0.00	\$1,000.00	0.0000%	(\$1,000.00)
54068 Guest Services	\$0.00	\$24.95	\$1,000.00	2.4950%	(\$975.05)
<b>TOTAL CONNECTIONS MINISTRY-TOTAL</b>	<b>\$0.00</b>	<b>\$24.95</b>	<b>\$3,000.00</b>	<b>0.8317%</b>	<b>(\$2,975.05)</b>

**MISSION & BENEV. SUB-TOTAL**

55020 Planning Session	\$0.00	\$0.00	\$110.00	0.0000%	(\$110.00)
55037 Global Impact Celebration	\$1,719.68	\$116.02	\$9,000.00	1.2891%	(\$8,883.98)
55055 Office Supplies	\$0.00	\$90.95	\$200.00	45.4750%	(\$109.05)
<b>TOTAL MISSION &amp; BENEV. SUB-TOTAL</b>	<b>\$1,719.68</b>	<b>\$206.97</b>	<b>\$9,310.00</b>	<b>2.2231%</b>	<b>(\$9,103.03)</b>

**CHILDREN'S MIN.-SUB-TOTAL**

57109 Teachers & Volunteer Appreciation	\$0.00	\$374.74	\$2,000.00	18.7370%	(\$1,625.26)
57132 Children's Council Retreat	\$0.00	\$0.00	\$100.00	0.0000%	(\$100.00)
57140 11:00 Children's Programming	\$0.00	\$262.59	\$750.00	35.0120%	(\$487.41)
57150 VBS	(\$273.59)	\$493.53	\$3,500.00	14.1009%	(\$3,006.47)
57160 Summer Programming	\$47.69	\$969.32	\$1,200.00	80.7767%	(\$230.68)
57180 Resource Room	\$0.00	\$0.00	\$1,200.00	0.0000%	(\$1,200.00)
57190 Leadership/Volunteer Training	\$0.00	\$454.01	\$1,500.00	30.2673%	(\$1,045.99)
57212 Special Events-Children	\$0.00	\$183.20	\$2,000.00	9.1600%	(\$1,816.80)
57220 Publicity/Promotion/Hospitality	\$0.00	\$908.84	\$2,000.00	45.4420%	(\$1,091.16)
57244 Children's Discipleship	\$0.00	\$778.64	\$1,500.00	51.9093%	(\$721.36)
57250 Care & Concern	\$0.00	\$0.00	\$350.00	0.0000%	(\$350.00)
57260 Fourth & Fifth Gr Programming	\$0.00	\$275.32	\$1,000.00	27.5320%	(\$724.68)
57275 Lent Activities	\$0.00	\$1,798.34	\$2,000.00	89.9170%	(\$201.66)
57300 Children's SS Material	\$0.00	\$84.78	\$1,500.00	5.6520%	(\$1,415.22)
57320 Family Programming for Outreach	\$0.00	\$0.00	\$2,500.00	0.0000%	(\$2,500.00)
57325 Advent Celebration	\$0.00	\$0.00	\$1,500.00	0.0000%	(\$1,500.00)
57330 Kids Missions	\$0.00	\$524.00	\$800.00	65.5000%	(\$276.00)
<b>TOTAL CHILDREN'S MIN.-SUB-TOTAL</b>	<b>(\$225.90)</b>	<b>\$7,107.31</b>	<b>\$25,400.00</b>	<b>27.9815%</b>	<b>(\$18,292.69)</b>

**NURSERY MIN.SUB-TOTAL**

57410 Nursery Supplies	\$326.77	\$1,576.42	\$5,000.00	31.5284%	(\$3,423.58)
57420 Nursery Training & Safety	\$0.00	\$0.00	\$500.00	0.0000%	(\$500.00)
57440 Nursery Appreciation	\$0.00	\$613.82	\$500.00	122.7640%	\$113.82
<b>TOTAL NURSERY MIN.SUB-TOTAL</b>	<b>\$326.77</b>	<b>\$2,190.24</b>	<b>\$6,000.00</b>	<b>36.5040%</b>	<b>(\$3,809.76)</b>

**YOUTH SUB-TOTAL**

58002 Weekly Programming	\$590.48	\$1,687.44	\$5,000.00	33.7488%	(\$3,312.56)
58003 Midweek Dinners	(\$7.70)	\$0.00	\$3,800.00	0.0000%	(\$3,800.00)
58011 Confirmation	(\$672.68)	\$1,000.00	\$1,000.00	100.0000%	\$0.00
58012 Yth Software, Equipment, Supp	\$0.00	\$770.90	\$1,000.00	77.0900%	(\$229.10)
58042 Friendsgiving	\$0.00	\$0.00	\$1,250.00	0.0000%	(\$1,250.00)
58045 Student Leadership	\$0.00	\$29.97	\$500.00	5.9940%	(\$470.03)
58053 Student Outings	\$0.00	\$190.97	\$1,200.00	15.9142%	(\$1,009.03)
58055 Summer Events	\$228.37	\$114.21	\$2,000.00	5.7105%	(\$1,885.79)
58065 Christmas Party	\$0.00	\$429.98	\$1,000.00	42.9980%	(\$570.02)
58070 Block Party YrEnd	\$362.13	\$1,029.87	\$1,500.00	68.6580%	(\$470.13)
58073 Youth Retreats	(\$110.00)	\$3,240.94	\$4,000.00	81.0235%	(\$759.06)
58075 HS Mission Trip	(\$1,198.07)	\$1,781.93	\$0.00	0.0000%	\$1,781.93
58076 MS Mission Trip	(\$1,300.00)	(\$1,080.00)	\$0.00	0.0000%	(\$1,080.00)
58080 Graduation	\$603.18	\$1,250.00	\$1,250.00	100.0000%	\$0.00
58081 Volunteer Training /Appr	\$500.00	\$500.00	\$500.00	100.0000%	\$0.00
<b>TOTAL YOUTH SUB-TOTAL</b>	<b>(\$1,004.29)</b>	<b>\$10,946.21</b>	<b>\$24,000.00</b>	<b>45.6092%</b>	<b>(\$13,053.79)</b>

**YOUNG ADULT SUB-TOTAL**

<b>TOTAL YOUNG ADULT SUB-TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.0000%</b>	<b>\$0.00</b>
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**WOMEN SUB-TOTAL**

59015 Seniors' Ministry	\$91.46	\$91.46	\$0.00	0.0000%	\$91.46
59050 Women's Bible Studies	\$0.00	\$0.00	\$500.00	0.0000%	(\$500.00)
59054 Women's Retreat	\$161.35	\$0.00	\$2,500.00	0.0000%	(\$2,500.00)
59056 Women's Ministry	(\$109.04)	\$10.00	\$2,000.00	0.5000%	(\$1,990.00)
<b>TOTAL WOMEN SUB-TOTAL</b>	<b>\$143.77</b>	<b>\$101.46</b>	<b>\$5,000.00</b>	<b>2.0292%</b>	<b>(\$4,898.54)</b>

**CONFERENCE SUB-TOTAL**

59305 Ministerial Support	\$2,088.32	\$12,529.92	\$25,060.00	49.9997%	(\$12,530.08)
59310 Retired Minister Pension/Insur	\$1,080.67	\$6,484.02	\$12,968.00	50.0002%	(\$6,483.98)
59315 Administrative Budget	\$2,304.08	\$13,824.48	\$27,649.00	49.9999%	(\$13,824.52)
59320 Conference Benevolences	\$393.42	\$2,360.52	\$4,721.00	50.0004%	(\$2,360.48)
59325 Capital Funding	\$17.42	\$104.52	\$209.00	50.0096%	(\$104.48)
59330 Higher Education	\$802.42	\$4,814.52	\$9,629.00	50.0002%	(\$4,814.48)
59335 Church Development	\$683.00	\$4,098.00	\$8,196.00	50.0000%	(\$4,098.00)
59340 Black College Fund	\$289.33	\$1,735.98	\$3,472.00	49.9994%	(\$1,736.02)
59345 Ministerial Education Fund	\$625.83	\$3,754.98	\$7,510.00	49.9997%	(\$3,755.02)
59352 World Service	\$2,007.59	\$12,045.54	\$24,091.00	50.0002%	(\$12,045.46)
59353 Africa University	\$65.08	\$390.48	\$781.00	49.9974%	(\$390.52)
59355 Episcopal Fund	\$802.67	\$4,816.02	\$9,632.00	50.0002%	(\$4,815.98)
59357 General Church Administration	\$246.17	\$1,477.02	\$2,954.00	50.0007%	(\$1,476.98)
59358 SEJ's Mission & Ministry Fund	\$33.75	\$202.50	\$405.00	50.0000%	(\$202.50)
<b>TOTAL CONFERENCE SUB-TOTAL</b>	<b>\$11,439.75</b>	<b>\$68,638.50</b>	<b>\$137,277.00</b>	<b>50.0000%</b>	<b>(\$68,638.50)</b>

<b>TOTAL MISSIONS AND MINISTRY</b>	<b>\$12,591.13</b>	<b>\$101,515.03</b>	<b>\$276,387.00</b>	<b>36.7293%</b>	<b>(\$174,871.97)</b>
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**Department Name: 20 SALARIES & BENEFITS**

<b>Total of All Salaries and Benefits</b>	<b>\$90,743.31</b>	<b>\$549,051.77</b>	<b>\$1,162,307.00</b>	<b>47.2381%</b>	<b>(\$613,255.23)</b>
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**Department Name: 30 ADMINISTRATIVE**
**ADMINISTRATIVE**
**UTILITIES/SERVICES SUB-TOTAL**

70120 Utilities	\$13,020.83	\$80,938.21	\$150,000.00	53.9588%	(\$69,061.79)
70125 Cleaning Service	\$4,657.80	\$27,946.80	\$62,400.00	44.7865%	(\$34,453.20)
70130 Comcast	\$904.73	\$4,455.24	\$5,000.00	89.1048%	(\$544.76)
70140 Telephone	\$300.00	\$600.00	\$1,250.00	48.0000%	(\$650.00)
70150 Trash Service	\$590.86	\$3,712.64	\$7,700.00	48.2161%	(\$3,987.36)
<b>TOTAL UTILITIES/SERVICES SUB-TOTAL</b>	<b>\$19,474.22</b>	<b>\$117,652.89</b>	<b>\$226,350.00</b>	<b>51.9783%</b>	<b>(\$108,697.11)</b>

**SOUND/WEBSITE SUBTOTAL**

71030 Software Subscriptions	\$451.98	\$12,579.53	\$9,500.00	132.4161%	\$3,079.53
71040 Sound Equipment	\$0.00	\$336.84	\$1,500.00	22.4560%	(\$1,163.16)
71050 Website Domain Fees	\$75.40	\$120.48	\$250.00	48.1920%	(\$129.52)
71060 Website Hosting	\$24.45	\$146.70	\$500.00	29.3400%	(\$353.30)
<b>TOTAL SOUND/WEBSITE SUBTOTAL</b>	<b>\$551.83</b>	<b>\$13,183.55</b>	<b>\$11,750.00</b>	<b>112.2004%</b>	<b>\$1,433.55</b>

**ADMINISTRATIVE SUB-TOTAL**

72020 Bulletins & Vine Expenses	\$0.00	\$467.19	\$1,000.00	46.7190%	(\$532.81)
72030 Envelopes	\$0.00	\$174.20	\$500.00	34.8400%	(\$325.80)
72040 Stationery & Cards	\$0.00	\$0.00	\$500.00	0.0000%	(\$500.00)
72100 Stamps & Postage-Office	\$27.51	\$639.14	\$2,000.00	31.9570%	(\$1,360.86)
72120 General Supplies	\$166.03	\$817.06	\$2,000.00	40.8530%	(\$1,182.94)
72130 Copier Paper & Laminates	\$593.73	\$1,516.75	\$2,000.00	75.8375%	(\$483.25)
72133 Copier-Lease, Service, Ink	\$1,789.89	\$9,225.11	\$18,000.00	51.2506%	(\$8,774.89)
72145 Marketing/Banners/Promotions	\$0.00	\$0.00	\$500.00	0.0000%	(\$500.00)
72150 Annual Conference Delegates	\$960.79	\$960.79	\$2,000.00	48.0395%	(\$1,039.21)
<b>TOTAL ADMINISTRATIVE SUB-TOTAL</b>	<b>\$3,537.95</b>	<b>\$13,800.24</b>	<b>\$28,500.00</b>	<b>48.4219%</b>	<b>(\$14,699.76)</b>

**STAFFING/VOLUNTEER SUBTOTAL**

72205 Staff Appreciation	\$0.00	\$497.79	\$1,000.00	49.7790%	(\$502.21)
72210 Staff Background Checks	\$0.00	\$29.69	\$600.00	4.9483%	(\$570.31)
72215 Staff Misc Expenses	\$0.00	\$20.16	\$1,000.00	2.0160%	(\$979.84)
72240 Volunteer Background Checks	\$22.46	\$221.31	\$800.00	27.6638%	(\$578.69)
<b>TOTAL STAFFING/VOLUNTEER SUBTOTAL</b>	<b>\$22.46</b>	<b>\$768.95</b>	<b>\$3,400.00</b>	<b>22.6162%</b>	<b>(\$2,631.05)</b>

**FINANCE OFFICE SUB-TOTAL**

72410 Audit/Finance Committee	\$0.00	\$12,800.00	\$13,000.00	98.4615%	(\$200.00)
72430 Bank Charges	\$284.70	\$1,548.22	\$2,500.00	61.9288%	(\$951.78)
72435 E-Giving Expenses	\$877.05	\$6,516.23	\$16,000.00	40.7264%	(\$9,483.77)
72450 Misc. Finance Expenses	\$0.00	\$729.96	\$1,500.00	48.6640%	(\$770.04)
72460 Stewardship Campaign	\$0.00	\$0.00	\$5,000.00	0.0000%	(\$5,000.00)
<b>TOTAL FINANCE OFFICE SUB-TOTAL</b>	<b>\$1,161.75</b>	<b>\$21,594.41</b>	<b>\$38,000.00</b>	<b>56.8274%</b>	<b>(\$16,405.59)</b>

**FACILITIES DEPT. SUB-TOTAL**

72610 Cleaning Supplies	\$2,788.59	\$6,368.99	\$10,000.00	63.6899%	(\$3,631.01)
72615 Paper Products	\$0.00	\$0.00	\$250.00	0.0000%	(\$250.00)
72620 Coffee & Supplies	\$0.00	\$0.00	\$1,000.00	0.0000%	(\$1,000.00)
72625 Kitchen Supplies	\$0.00	\$0.00	\$250.00	0.0000%	(\$250.00)
72630 Maintenance Expenses	(\$546.83)	\$392.29	\$8,500.00	4.6152%	(\$8,107.71)
<b>TOTAL FACILITIES DEPT. SUB-TOTAL</b>	<b>\$2,241.76</b>	<b>\$6,761.28</b>	<b>\$20,000.00</b>	<b>33.8064%</b>	<b>(\$13,238.72)</b>

**TOTAL ADMINISTRATIVE**

	<b>\$26,989.97</b>	<b>\$173,761.32</b>	<b>\$328,000.00</b>	<b>52.9760%</b>	<b>(\$154,238.68)</b>
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**Department Name: 40 BUILDING NOTE**
**BLDG. NOTE**

80010 Monthly Notes (DR & NBF)	\$15,671.15	\$94,026.90	\$188,054.00	49.9999%	(\$94,027.10)
<b>TOTAL BLDG. NOTE</b>	<b>\$15,671.15</b>	<b>\$94,026.90</b>	<b>\$188,054.00</b>	<b>49.9999%</b>	<b>(\$94,027.10)</b>
<b>TOTAL BUDGET</b>	<b>\$145,995.56</b>	<b>\$918,355.02</b>	<b>\$1,954,748.00</b>	<b>46.9807%</b>	<b>(\$1,036,392.98)</b>

**Department Name: 42 RECREATION DEPARTMENT**
**NET RECREATION INCOME**
**RECREATION INCOME**

40008 Soccer	\$212.42	\$29,028.33	\$0.00	0.0000%	\$29,028.33
40010 Basketball (Upward)	\$0.00	\$2,277.82	\$0.00	0.0000%	\$2,277.82
40012 Photography	\$0.00	\$1,442.05	\$0.00	0.0000%	\$1,442.05
40013 Concession Stand	\$0.00	\$3,612.78	\$0.00	0.0000%	\$3,612.78
40018 Gym/Field Rental	\$5,265.00	\$8,325.00	\$0.00	0.0000%	\$8,325.00
40021 Fitness Room Fees	\$125.00	\$520.00	\$0.00	0.0000%	\$520.00
40022 Dance	\$0.00	\$6,225.17	\$0.00	0.0000%	\$6,225.17
<b>TOTAL RECREATION INCOME</b>	<b>\$5,602.42</b>	<b>\$51,431.15</b>	<b>\$0.00</b>	<b>0.0000%</b>	<b>\$51,431.15</b>

**RECREATION EXPENSES**

90325 AdmAsst. to Dir of Rec	\$1,127.50	\$6,765.00	\$0.00	0.0000%	\$6,765.00
90326 Employer SS/Med - Adm Asst.	\$86.24	\$517.44	\$0.00	0.0000%	\$517.44
90361 Concession Stand Workers	\$0.00	\$583.19	\$0.00	0.0000%	\$583.19
90362 Concession Supplies/Equipment	\$0.00	\$3,357.97	\$0.00	0.0000%	\$3,357.97
90377 Adult Softball Expenses	\$0.00	\$83.97	\$0.00	0.0000%	\$83.97
90380 Upward Basketball	\$0.00	\$12,553.51	\$0.00	0.0000%	\$12,553.51
90381 Soccer Expenses	\$2,390.71	\$19,718.70	\$0.00	0.0000%	\$19,718.70
90383 Field Maintenance	\$161.48	\$878.28	\$0.00	0.0000%	\$878.28
90387 Gym/Field Rental Expense	\$2,815.07	\$3,096.59	\$0.00	0.0000%	\$3,096.59
90405 Miscellaneous Rec Expenses	\$6.00	\$392.52	\$0.00	0.0000%	\$392.52
90426 Flag Football - Youth Expense	\$0.00	\$1,023.26	\$0.00	0.0000%	\$1,023.26
90430 Fitness Room Expenses	\$102.97	\$627.61	\$0.00	0.0000%	\$627.61
90432 Dance Expenses	\$227.50	\$1,364.92	\$0.00	0.0000%	\$1,364.92
90440 Tithe-Recreation	\$443.55	\$5,397.49	\$0.00	0.0000%	\$5,397.49
<b>TOTAL RECREATION EXPENSES</b>	<b>\$7,361.02</b>	<b>\$56,360.45</b>	<b>\$0.00</b>	<b>0.0000%</b>	<b>\$56,360.45</b>

<b>TOTAL NET RECREATION INCOME</b>	<b>(\$1,758.60)</b>	<b>(\$4,929.30)</b>	<b>\$0.00</b>	<b>0.0000%</b>	<b>(\$4,929.30)</b>
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**Department Name: 44 FINE ARTS ACADEMY**
**NET FAA INCOME**
**FAA INCOME**

TOTAL FAA INCOME	\$0.00	\$0.00	\$0.00	0.0000%	\$0.00
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**FAA EXPENSE**

TOTAL FAA EXPENSE	\$0.00	\$0.00	\$0.00	0.0000%	\$0.00
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TOTAL NET FAA INCOME	\$0.00	\$0.00	\$0.00	0.0000%	\$0.00
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**Department Name: 50 PARENTS TIME AWAY**
**NET PTA INCOME**
**PTA INCOME**

40410 PTA Tuition	\$5,365.00	\$18,535.00	\$0.00	0.0000%	\$18,535.00
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TOTAL PTA INCOME	\$5,365.00	\$18,535.00	\$0.00	0.0000%	\$18,535.00
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**PTA EXPENSES**

90110 PTA Teacher Salaries	\$3,601.56	\$13,190.07	\$0.00	0.0000%	\$13,190.07
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90120 PTA SS/Med	\$275.48	\$1,008.98	\$0.00	0.0000%	\$1,008.98
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90130 Credit Card Fees	\$149.80	\$640.80	\$0.00	0.0000%	\$640.80
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90184 Tithe-PTA	\$300.50	\$1,568.51	\$0.00	0.0000%	\$1,568.51
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90192 Misc. PTA Expenses	\$6.00	\$36.00	\$0.00	0.0000%	\$36.00
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TOTAL PTA EXPENSES	\$4,333.34	\$16,444.36	\$0.00	0.0000%	\$16,444.36
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TOTAL NET PTA INCOME	\$1,031.66	\$2,090.64	\$0.00	0.0000%	\$2,090.64
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TOTAL NET INCOME	\$1,031.66	\$2,090.64	\$0.00	0.0000%	\$2,090.64
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**Department Name: 60 PRE-SCHOOL**
**NET PRE-SCHOOL INCOME**
**Pre-School Income**

40010 Tuition	\$235.00	\$166,448.25	\$0.00	0.0000%	\$166,448.25
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40020 Registration Fees	\$0.00	\$205.00	\$0.00	0.0000%	\$205.00
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40030 Tuition-Scholarship	\$0.00	\$2,215.00	\$0.00	0.0000%	\$2,215.00
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40040 Fundraisers	(\$1,659.33)	\$1,860.95	\$0.00	0.0000%	\$1,860.95
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40053 Field Trips	\$0.00	\$545.25	\$0.00	0.0000%	\$545.25
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Total Pre-School Income	(\$1,424.33)	\$171,274.45	\$0.00	0.0000%	\$171,274.45
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**Pre-School Expenses**

50010 Pre-School Salaries	\$26,757.53	\$163,814.68	\$0.00	0.0000%	\$163,814.68
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50015 Pre-School SS/Med	\$2,046.90	\$12,531.60	\$0.00	0.0000%	\$12,531.60
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50020 Pre-Sch Sub Pay	\$0.00	\$9,182.50	\$0.00	0.0000%	\$9,182.50
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50021 Books/Curriculum	\$0.00	\$64.92	\$0.00	0.0000%	\$64.92
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50022 Audio/Visual	\$106.00	\$1,106.00	\$0.00	0.0000%	\$1,106.00
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50023 Field Trips Expenses	\$0.00	\$542.50	\$0.00	0.0000%	\$542.50
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50025 Supplies, Toys, Equipment-P.S	\$196.89	\$3,095.42	\$0.00	0.0000%	\$3,095.42
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50030 Activities	\$0.00	\$800.00	\$0.00	0.0000%	\$800.00
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50031 Advertising-Pre-Sch	\$0.00	\$30.00	\$0.00	0.0000%	\$30.00
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50035 Reading Celebration	\$0.00	\$13.73	\$0.00	0.0000%	\$13.73
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50050 Mother's Day	\$967.28	\$1,027.67	\$0.00	0.0000%	\$1,027.67
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50060 Breakfast with Santa	\$0.00	\$52.71	\$0.00	0.0000%	\$52.71
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50063 Graduation	\$18.91	\$225.35	\$0.00	0.0000%	\$225.35
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50080 Inservice	\$515.11	\$637.22	\$0.00	0.0000%	\$637.22
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50085 Postage	\$25.20	\$25.20	\$0.00	0.0000%	\$25.20
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50090 TchrGifts,Luncheon,Care Gifts	(\$1,112.62)	\$1,176.42	\$0.00	0.0000%	\$1,176.42
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50115 Fundraiser Expenses	\$0.00	\$261.00	\$0.00	0.0000%	\$261.00
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50120 Tithe-Pre-Sch.	\$3,218.20	\$20,253.75	\$0.00	0.0000%	\$20,253.75
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50125 Misc. Pre-Sch Expenses	\$262.00	\$2,133.84	\$0.00	0.0000%	\$2,133.84
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Total Pre-School Expenses	\$33,001.40	\$216,974.51	\$0.00	0.0000%	\$216,974.51
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TOTAL NET PRE-SCHOOL INCOME	(\$34,425.73)	(\$45,700.06)	\$0.00	0.0000%	(\$45,700.06)
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Department Name: 75 COUNSELING CENTER

COUNSELING CENTER NET INCOME

COUNSELING CTR INCOME

40601 Counseling Inc-Jenkins	\$0.00	\$100.00	\$0.00	0.0000%	\$100.00
40607 Counseling Inc-Jones	\$1,235.00	\$8,515.52	\$0.00	0.0000%	\$8,515.52
<b>TOTAL COUNSELING CTR INCOME</b>	<b>\$1,235.00</b>	<b>\$8,615.52</b>	<b>\$0.00</b>	<b>0.0000%</b>	<b>\$8,615.52</b>

COUNSELING CTR EXPENSE

90601 Counseling Exp -Jenkins	\$0.00	\$60.00	\$0.00	0.0000%	\$60.00
90607 Counseling Exp-Jones	\$1,027.50	\$6,840.00	\$0.00	0.0000%	\$6,840.00
90670 Credit Card Fees	\$16.80	\$120.60	\$0.00	0.0000%	\$120.60
90690 Tithe-Counseling Center	\$56.50	\$467.05	\$0.00	0.0000%	\$467.05
<b>TOTAL COUNSELING CTR EXPENSE</b>	<b>\$1,100.80</b>	<b>\$7,487.65</b>	<b>\$0.00</b>	<b>0.0000%</b>	<b>\$7,487.65</b>

<b>TOTAL COUNSELING CENTER NET IN</b>	<b>\$134.20</b>	<b>\$1,127.87</b>	<b>\$0.00</b>	<b>0.0000%</b>	<b>\$1,127.87</b>
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	<u>Beg. Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Difference</u>	<u>Ending Balance</u>
<b>TOTAL PAYABLES</b>					
Sub Total					
Federal W/H	\$2,755.58	\$5,498.48	\$8,254.06	(\$2,755.58)	\$0.00
FICA	\$5,959.78	\$11,587.25	\$17,547.03	(\$5,959.78)	\$0.00
Medicare	\$1,393.75	\$2,709.94	\$4,103.69	(\$1,393.75)	\$0.00
State W/H	\$2,586.39	\$2,563.47	\$5,149.86	(\$2,586.39)	\$0.00
<b>Total Sub Total</b>	<b>\$12,695.50</b>	<b>\$22,359.14</b>	<b>\$35,054.64</b>	<b>(\$12,695.50)</b>	<b>\$0.00</b>
Payroll Deductions	\$0.00	\$3,086.00	\$3,086.00	\$0.00	\$0.00
Payroll Deductions-FlexSpendAcc	\$0.00	\$100.00	\$100.00	\$0.00	\$0.00
Payroll Deductions-Contributions	\$0.00	\$516.78	\$516.78	\$0.00	\$0.00
<b>TOTAL TOTAL PAYABLES</b>	<b>\$12,695.50</b>	<b>\$26,061.92</b>	<b>\$38,757.42</b>	<b>(\$12,695.50)</b>	<b>\$0.00</b>
<b>Funds &amp; Gifts Total</b>					
<b>Designated Funds Total</b>					
<b>Discipleship Funds Total</b>					
Children's Grief Support	\$407.00	\$0.00	\$0.00	\$0.00	\$407.00
Embrace-Special Needs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Joyful Singers	\$1,680.35	\$140.00	\$50.00	\$90.00	\$1,770.35
Narcotics Anonymous	\$809.00	\$0.00	\$0.00	\$0.00	\$809.00
Parents' Time Away	\$2,442.08	\$0.00	\$0.00	\$0.00	\$2,442.08
Pre-School	\$102,281.04	\$20,615.00	\$0.00	\$20,615.00	\$122,896.04
Rebekah Circle	\$1,214.33	\$415.00	\$800.00	(\$385.00)	\$829.33
Senior Citizens	\$881.08	\$50.00	\$267.98	(\$217.98)	\$663.10
Searchlights SS Class	\$0.00	\$170.00	\$0.00	\$170.00	\$170.00
Sunshine Class	\$7,914.77	\$0.00	\$0.00	\$0.00	\$7,914.77
United Methodist Men	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Women's Brunch	\$815.13	\$0.00	\$0.00	\$0.00	\$815.13
Women's Ministry Events	\$103.26	\$77.31	\$0.00	\$77.31	\$180.57
Women's Retreat	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Young Adult Fellowship	\$2,279.12	\$0.00	\$0.00	\$0.00	\$2,279.12
Choices SS Class	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Unity/New Hope SS Class	\$66.84	\$0.00	\$0.00	\$0.00	\$66.84
<b>Total Discipleship Funds Total</b>	<b>\$120,894.00</b>	<b>\$21,467.31</b>	<b>\$1,117.98</b>	<b>\$20,349.33</b>	<b>\$141,243.33</b>
<b>Finance Funds Total</b>					
Cash Reserve Fund	\$610,000.00	\$0.00	\$0.00	\$0.00	\$610,000.00
Accrual	\$57,198.75	\$11,439.75	\$68,638.50	(\$57,198.75)	\$0.00
Children's Area Renovation	\$2,218.16	\$0.00	\$0.00	\$0.00	\$2,218.16
Fresh Expressions Grant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Outdoor Living Ctr Playground	\$23,892.98	\$0.00	\$0.00	\$0.00	\$23,892.98
Safe	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Security-On Campus	\$2,802.01	\$0.00	\$0.00	\$0.00	\$2,802.01
Trustees' Expenses	(\$50,216.54)	\$50,571.54	\$0.00	\$50,571.54	\$355.00
<b>Total Finance Funds Total</b>	<b>\$645,895.36</b>	<b>\$62,011.29</b>	<b>\$68,638.50</b>	<b>(\$6,627.21)</b>	<b>\$639,268.15</b>
<b>Music/Fine Arts Funds Total</b>					
Fine Arts Academy	\$198.58	\$0.00	\$0.00	\$0.00	\$198.58
<b>Total Music/Fine Arts Funds Tot</b>	<b>\$198.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$198.58</b>
<b>Recreation Funds Total</b>					
Athletic Committee	\$1,840.39	\$0.00	\$0.00	\$0.00	\$1,840.39
Ballfield Lighting	\$7,400.34	\$0.00	\$0.00	\$0.00	\$7,400.34
Exercise/Fitness	\$10,185.00	\$0.00	\$0.00	\$0.00	\$10,185.00
<b>Total Recreation Funds Total</b>	<b>\$19,425.73</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$19,425.73</b>
<b>Resource Funds Total</b>					
Coffee Fund	\$310.63	\$0.00	\$65.76	(\$65.76)	\$244.87
ESL Classes	\$3,137.22	\$0.00	\$2,716.76	(\$2,716.76)	\$420.46
Facility Usage Fees	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
Tower of Power/Radio Outreach	\$242.80	\$0.00	\$0.00	\$0.00	\$242.80
Wedding Candles	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00
<b>Total Resource Funds Total</b>	<b>\$4,040.65</b>	<b>\$0.00</b>	<b>\$2,782.52</b>	<b>(\$2,782.52)</b>	<b>\$1,258.13</b>

<b>Youth Funds Total</b>					
Youth Passion Conference 2019	\$1,500.00	\$0.00	\$0.00	\$0.00	\$1,500.00
Youth HS PCB 2023	\$3,602.50	\$750.00	\$0.00	\$750.00	\$4,352.50
Youth MS Mission Trip	\$1,250.00	\$0.00	\$1,250.00	(\$1,250.00)	\$0.00
Youth -HS Retreat	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Youth-Nashville Trip	(\$2,450.00)	\$0.00	\$1,040.00	(\$1,040.00)	(\$3,490.00)
<b>Total Youth Funds Total</b>	<b>\$3,902.50</b>	<b>\$750.00</b>	<b>\$2,290.00</b>	<b>(\$1,540.00)</b>	<b>\$2,362.50</b>
<b>Total Designated Funds Total</b>	<b>\$794,356.82</b>	<b>\$84,228.60</b>	<b>\$74,829.00</b>	<b>\$9,399.60</b>	<b>\$803,756.42</b>
<b>Gifts Total</b>					
<b>Disciple Gifts Total</b>					
Care Center Scholarships	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Care Center Donations	\$11,890.08	\$580.00	\$785.00	(\$205.00)	\$11,685.08
Children	\$28,379.27	\$1,929.00	\$3,579.20	(\$1,650.20)	\$26,729.07
Faithbuilders' Ms. Projects	\$335.09	\$0.00	\$0.00	\$0.00	\$335.09
Monday Ministers	\$1,279.89	\$0.00	\$0.00	\$0.00	\$1,279.89
Stephens Ministry	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
<b>Total Disciple Gifts Total</b>	<b>\$41,984.33</b>	<b>\$2,509.00</b>	<b>\$4,364.20</b>	<b>(\$1,855.20)</b>	<b>\$40,129.13</b>
<b>Missions Gift Total</b>					
Adoption & Foster Care	\$533.25	\$0.00	\$0.00	\$0.00	\$533.25
Car Care Ministry	\$13,953.44	\$2,957.50	\$2,523.59	\$433.91	\$14,387.35
Choices SS Mission Project	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Christmas Giving Catalog	\$165.81	\$0.00	\$0.00	\$0.00	\$165.81
Czech Republic Mission Projects	\$3,603.84	\$0.00	\$974.40	(\$974.40)	\$2,629.44
Disaster Relief	\$250.00	\$250.00	\$250.00	\$0.00	\$250.00
Flood Victims	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food Pantry	\$24,990.13	\$1,750.00	\$332.93	\$1,417.07	\$26,407.20
Feed the Lambs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Global Impact Celebration	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Habitat	\$186.63	\$100.00	\$0.00	\$100.00	\$286.63
Hisp.Ch.Bible Camp	\$884.99	\$0.00	\$0.00	\$0.00	\$884.99
Hispanic Ministry	\$9,289.63	\$155.00	\$0.00	\$155.00	\$9,444.63
Hispanic Ministry-Local Missions	\$7,874.99	\$0.00	\$400.00	(\$400.00)	\$7,474.99
Jihlava Church Building	\$6,012.00	\$0.00	\$0.00	\$0.00	\$6,012.00
Joyful Noise Ms Proj	\$1,592.11	\$25.00	\$0.00	\$25.00	\$1,617.11
Kenya Mission Trips	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Missions-Faith Promise	\$57,716.63	\$2,675.00	\$27,818.85	(\$25,143.85)	\$32,572.78
Missions-Local Assistance	\$7,069.33	\$1,953.00	\$9.97	\$1,943.03	\$9,012.36
Mtn Top Boys' Home	\$550.00	\$400.00	\$0.00	\$400.00	\$950.00
MUST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Nigeria Partnership	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Nigeria Ms.Trip	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sager Brown Mission Trip	\$1,867.50	\$0.00	\$0.00	\$0.00	\$1,867.50
Shepherd's Rest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Teach 1 Lead 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Venezuela Crate	\$1,366.00	\$100.00	\$0.00	\$100.00	\$1,466.00
Missions-Special Projects	\$3,371.45	\$0.00	\$0.00	\$0.00	\$3,371.45
Scouts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ukraine Refugees	\$7,913.72	\$200.00	\$0.00	\$200.00	\$8,113.72
<b>Total Missions Gift Total</b>	<b>\$149,191.45</b>	<b>\$10,565.50</b>	<b>\$32,309.74</b>	<b>(\$21,744.24)</b>	<b>\$127,447.21</b>
<b>Mem/Honor Gifts Total</b>					
Love Offering	(\$355.00)	\$1,575.00	\$1,220.00	\$355.00	\$0.00
Mason Varner Memorial Fund	\$426.79	\$0.00	\$426.79	(\$426.79)	\$0.00
Rachel Peters Memorial Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reid Davidson Memorial Schol	\$7,235.00	\$0.00	\$0.00	\$0.00	\$7,235.00
Robert Register Scholarship Fund	\$2,797.80	\$446.79	\$0.00	\$446.79	\$3,244.59
Tommy Hardy Scholarship Fund	\$3,631.85	\$0.00	\$0.00	\$0.00	\$3,631.85
<b>Total Mem/Honor Gifts Total</b>	<b>\$13,736.44</b>	<b>\$2,021.79</b>	<b>\$1,646.79</b>	<b>\$375.00</b>	<b>\$14,111.44</b>
<b>Music Gifts Total</b>					
Choir Fund	\$20,662.64	\$449.00	\$213.90	\$235.10	\$20,897.74
Choir Robe Fund	\$1,337.19	\$0.00	\$0.00	\$0.00	\$1,337.19
Organ	\$871.50	\$0.00	\$0.00	\$0.00	\$871.50
Piano Fund	\$303.50	\$0.00	\$0.00	\$0.00	\$303.50
T.Ghoreishi F.A. Scholarship	\$11,072.80	\$20.00	\$0.00	\$20.00	\$11,092.80
<b>Total Music Gifts Total</b>	<b>\$34,247.63</b>	<b>\$469.00</b>	<b>\$213.90</b>	<b>\$255.10</b>	<b>\$34,502.73</b>

<b>Recreation Gifts Total</b>					
Recreation Scholarship Fund	\$3,503.54	\$0.00	\$0.00	\$0.00	\$3,503.54
Dance Scholarships	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
<b>Total Recreation Gifts Total</b>	<b>\$4,003.54</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,003.54</b>
<b>Resource Gifts Total</b>					
Bride's Room	\$976.58	\$0.00	\$0.00	\$0.00	\$976.58
Duplicator-CD's	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Chapel Renovation	\$465.00	\$0.00	\$0.00	\$0.00	\$465.00
Sign	\$2,301.78	\$0.00	\$0.00	\$0.00	\$2,301.78
<b>Total Resource Gifts Total</b>	<b>\$3,743.36</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,743.36</b>
<b>Sunday School Gifts Total</b>					
Dip Deeper Class	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Horizons SS Class	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Imprint SS Class	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prayer Shawl Ministry	\$157.23	\$0.00	\$38.63	(\$38.63)	\$118.60
<b>Total Sunday School Gifts Total</b>	<b>\$157.23</b>	<b>\$0.00</b>	<b>\$38.63</b>	<b>(\$38.63)</b>	<b>\$118.60</b>
<b>Worship Gifts Total</b>					
Flowers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lilies/Poinsettias	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Hymnals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Worship Gifts Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Youth Gifts Total</b>					
Youth Scholarship Fund	\$7,015.16	\$2,172.50	\$110.00	\$2,062.50	\$9,077.66
Youth Choir	\$742.67	\$0.00	\$0.00	\$0.00	\$742.67
Youth Choir Scholarship Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Youth Ministry	\$49,854.77	\$3,050.00	\$1,785.75	\$1,264.25	\$51,119.02
Youth Dinners	\$321.20	\$0.00	\$7.70	(\$7.70)	\$313.50
<b>Total Youth Gifts Total</b>	<b>\$57,933.80</b>	<b>\$5,222.50</b>	<b>\$1,903.45</b>	<b>\$3,319.05</b>	<b>\$61,252.85</b>
<b>Miscellaneous Gifts Total</b>					
Pastor's Discretionary	\$12,568.49	\$60.00	\$2,293.94	(\$2,233.94)	\$10,334.55
Special Projects I	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Miscellaneous Gifts Total</b>	<b>\$12,568.49</b>	<b>\$60.00</b>	<b>\$2,293.94</b>	<b>(\$2,233.94)</b>	<b>\$10,334.55</b>
<b>Total Gifts Total</b>	<b>\$317,566.27</b>	<b>\$20,847.79</b>	<b>\$42,770.65</b>	<b>(\$21,922.86)</b>	<b>\$295,643.41</b>
<b>Total Funds &amp; Gifts Total</b>	<b>\$1,111,923.09</b>	<b>\$105,076.39</b>	<b>\$117,599.65</b>	<b>(\$12,523.26)</b>	<b>\$1,099,399.83</b>

Statement of Financial Position for Period 6 - June  
Company#: 1 Name: McEachern Memorial UMC  
Fiscal Year Beginning 1/1/2023

<u>Account</u>	<u>YTD</u> <u>Current</u>
<b>ASSETS</b>	
Checking Account 1995	\$193,194.23
Truist Money Market 2125	\$15,019.30
Truist Investment Account 0107	\$926,513.41
<b>TOTAL ASSETS</b>	<b>\$1,134,726.94</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>LIABILITIES</b>	
<b>PAYABLES</b>	
Sub-Total	
<b>Total Sub-Total</b>	<b>\$0.00</b>
<b>TOTAL PAYABLES</b>	<b>\$0.00</b>
<b>DESIGNATED FUNDS</b>	
Adoption & Foster Care	\$533.25
Athletic Committee	\$1,840.39
Ballfield Lighting	\$7,400.34
Bride's Room	\$976.58
Cash Reserve Fund-Board Dsgntd	\$610,000.00
Car Care Ministry	\$14,387.35
Care Center Donations	\$11,685.08
Chapel Renovation	\$465.00
Children's Ministry	\$26,729.07
Children Grief Support	\$407.00
Children's Area Renovation	\$2,218.16
Choir/Music Fund	\$20,897.74
Choir Robe Fund	\$1,337.19
Christmas Giving Catalog	\$165.81
Coffee Fund	\$244.87
Czech Republic Ms. Project	\$2,629.44
Disaster Relief (UMCOR)	\$250.00
Dance Scholarships	\$500.00
ESL Classes	\$420.46
Exer/Fitness	\$10,185.00
Facility Usage Fees	\$100.00
Family Mission Trip-Collinswood	\$335.09
Fine Arts Academy	\$198.58
Food Pantry	\$26,407.20
Habitat for Humanity	\$286.63
Hispanic Children's Bible Camp	\$884.99
Hispanic Ministry	\$9,444.63

Hisp.Min.Local Missions	\$7,474.99
Jihlava Church Building	\$6,012.00
Joyful Noise SS Mission Projects	\$1,617.11
Joyful Singers	\$1,770.35
Mission's-Faith Promise	\$32,572.78
Missions-Local Assistance	\$9,012.36
Missions-Special Projects	\$3,371.45
Monday Ministers	\$1,279.89
Mtn Top Boys' Home	\$950.00
Narcotics Anonymous	\$809.00
Outdoor Playground	\$23,892.98
Organ	\$871.50
Parents' Time Away	\$2,442.08
Pastor's Discretionary	\$10,334.55
Piano Fund	\$303.50
Pre-School	\$122,896.04
Prayer Shawl Ministry	\$118.60
Recreation Scholarship Fund	\$3,503.54
Rebekah Circle	\$829.33
Reid Davidson Memorial Recreation Scholarship	\$7,235.00
Robert Register Scholarship Fund	\$3,244.59
Sager Brown Missions Trips (Formerly SOAR)	\$1,867.50
Sunshine Class	\$7,914.77
Security-On Campus	\$2,802.01
Senior Citizens	\$663.10
Stephen Ministry	\$100.00
Sign	\$2,301.78
Searchlights SS Class	\$170.00
T.Ghoreishi F.A.Scholarship Fund	\$11,092.80
Tower of Power/Radio Outreach	\$242.80
Tommy Hardy Fund	\$3,631.85
Ukraine Refugees	\$8,113.72
Unity SS/New Hope Class	\$66.84
Trustees' Expenses	\$355.00
Venezuela Crate	\$1,466.00
Wedding Candles	\$250.00
Women's Brunch	\$815.13
Women's Ministry Events	\$180.57
Young Adult Fellowship	\$2,279.12
Youth	\$51,119.02
Youth Choir	\$742.67
Youth Dinners	\$313.50
Youth-HS Nashville Mission	(\$3,490.00)
Youth-HS PCB 2023	\$4,352.50
Youth- Passion Conference	\$1,500.00
Youth-Scholarship Fund	\$9,077.66
<b>TOTAL DESIGNATED FUNDS</b>	<b>\$1,099,399.83</b>

#### CREDIT CARDS PAYABLE

<b>TOTAL CREDIT CARDS PAYABLE</b>	<b>\$0.00</b>
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<b>TOTAL LIABILITIES</b>	<b>\$1,099,399.83</b>
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## EQUITY

Budget Fund Equity	\$0.00
Budget Fund Equity -Current Year	(\$146,853.24)
<b>Budget Fund Equity -Current Year-Total</b>	<b>(\$146,853.24)</b>
PTA Equity	\$9,727.14
PTA Equity-Current Year	\$2,090.64
<b>PTA Equity-Current Year-Total</b>	<b>\$11,817.78</b>
Fine Arts Academy-Equity	\$4,814.41
Counseling Ctr.Equity	\$9,300.01
Counseling Ctr.Equity -Current Year	\$1,127.87
<b>Counseling Ctr.Equity -Current Year-Total</b>	<b>\$10,427.88</b>
Preschool Equity	\$177,422.64
Preschool Equity-Current Year	(\$45,700.06)
<b>Preschool Equity-Current Year-Total</b>	<b>\$131,722.58</b>
Recreation Equity	\$28,327.00
Recreation Equity -Current Year	(\$4,929.30)
<b>Recreation Equity -Current Year-Total</b>	<b>\$23,397.70</b>
<b>TOTAL EQUITY</b>	<b>\$35,327.11</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$1,134,726.94</b>



Exhibit C

**Sample NGC Disaffiliation Agreement**



## DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“Local Church”) and The North Georgia Conference of the United Methodist Church, Inc. (“Annual Conference”), acting by and through The Trustees of the North Georgia Conference of the United Methodist Church, Inc. (“Trustees”).

WHEREAS, Local Church is a United Methodist church in good standing within the boundaries of Annual Conference, and for the purposes of this Agreement “in good standing” means that the Local Church is compliant with the provisions of *The Book of Discipline of the United Methodist Church* (“Discipline”) applicable to local churches.

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *Discipline*, at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church.

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*.”

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference’s interest, on behalf of The United Methodist Church, in the real property, and improvements therein, and its

personal property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision* 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:

- a. *Good Standing*. The Local Church represents and warrants to the Annual Conference that the Local Church is in good standing, as defined in the premises.
- b. *Standards for Conduct of Church Conference Vote*. The Local Church represents and affirms that it has transmitted all records to the appropriate Annual Conference agencies regarding its leadership and membership, that it has, prior to the church conference vote, taken all reasonable measures to notify the members of the Local Church of the impending vote, that it has provided copies to the Annual Conference of all informational documents regarding the effects of disaffiliation that have been distributed to the members, and that it has not held any informal or unpublicized meetings of the membership of the Local Church for purposes of discussing or voting on disaffiliation without the knowledge and consent of the applicable District Superintendent.
- c. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church for the reasons set forth in Paragraph 2553 of the *Book of Discipline*. Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church.
- d. *Annual Conference Vote*. This Disaffiliation Agreement must be “ratified by a simple majority of the members . . . present and voting” at a duly called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).

**Should any of the above not occur or be found to be inaccurate, this Disaffiliation Agreement shall immediately become null and void.**

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective at month-end on November 30, 2023 ("Disaffiliation Date") after the Annual Conference's ratification referenced in Section 1 above at the called Annual Conference on November 18, 2023.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, no later than thirty days (December 30, 2023) after the Disaffiliation Date, do the following:

- a. *Payments.* Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:
  - i. In consideration of the payments specified and upon confirmation by the applicable District Superintendent that all other obligations of the Local Church have been satisfied, Local Church shall have the right to retain its real property, and improvements therein and its personal property without charge. Any costs to transfer title or otherwise relating to Local Church's retention of its property will be borne by Local Church.
  - ii. Any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \_\_\_\_\_.
  - iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference, totaling \_\_\_\_\_.
  - iv. An amount equal to Local Church's pro rata share, as determined by Annual Conference, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General

Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \_\_\_\_\_ .

- v. Any other payments that are related to conference-provided benefits that are direct billed to the Local Church for benefits provided prior to the effective date of disaffiliation. The parties will consult with the Conference Benefits Office to determine if there is an amount owed for direct billed benefits, and the parties further agree to true-up any such obligations within 30 days after the effective date of disaffiliation.
  - vi. An amount equal to any grants or other direct contributions that have been paid by the Annual Conference or any of its church support agencies to or on behalf of the Local Church to support any aspect of the Local Church's mission, ministry, or building programs within the four-year period immediately preceding the Disaffiliation Date; and
- b. *Other Liabilities.* Local Church shall either satisfy all its other debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Local Church must provide sufficient documentation of same to Annual Conference. Other liabilities include any unpaid salary and benefits due to clergy appointed to the church through the disaffiliation effective date and also includes prepayment through the end of the calendar year of church exit for all clergy salary, housing allowance and benefits for those North Georgia clergy who are under appointment to the church and elect to remain United Methodist after the church votes to disaffiliate.
- c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same. The Local Church will make provisions for the transfer to the Annual Conference or its designee all paraments, hymnals, and worship elements, and the costs of such transfer shall be borne by the Local Church.

- d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date. The Local Church shall have the responsibility of engaging appropriate tax professionals if the Local Church decides to pursue its own tax exemption ruling, but nothing herein will require the Local Church to do so.
- e. *Records and Cemeteries.* The Local Church shall cooperate with the Annual Conference and its staff in securing the records of the Local Church, including church archives, membership rolls, and historical documents related to funerals, baptisms, weddings, minutes, etc., with the Pitts Theology Library at Emory University and will comply with all policies and procedures of Pitts Theology Library in the storage and archiving of such records. If the Local Church has a cemetery or columbarium, the Local Church shall be responsible for and shall provide its plan for maintenance after disaffiliation and continued access for anyone with loved ones buried there.
- f. *Covenant as the one universal church.* Annual Conference and Local Church covenant and agree that they are all part of the one universal church in service to Christ, and throughout the disaffiliation process and for the future they will honor the mission and ministry of all Christians. As part of this covenant, Annual Conference and Local Church agree that for a period of two (2) years following the Disaffiliation Date, both parties will refrain from making any disparaging or defamatory comments or remarks whatsoever about the other or any of the other's ministers, members, or employees, whether oral or in writing, that could reasonably be expected to adversely affect the reputation of the other.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to

effectuate its disaffiliation from The United Methodist Church, subject to the approval by the Annual Conference but without any obligation of the Annual Conference to assist with the preparation thereof. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. Upon completion of all requirements set forth above, Local Church will have full ownership of the property and assets of the Local Church, except for those specifically required to be transferred to the Annual Conference under this Agreement or for those subject to the rights of persons or entities who are not parties to this Agreement. The Local Church shall ensure all necessary transfers or other transactions relating to the above properties are completed within thirty days of the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the property of Local Church transferred hereunder. All documents required for transfer from the Local Church to any successor entity shall be prepared by the Local Church at its sole expense, subject to approval by the applicable District Superintendent, and upon confirmation by the applicable District Superintendent that all obligations of the Local Church set forth in this Agreement have been satisfied, the District Superintendent will consent to and approve the release of the trust clause.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or



persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Independent Legal Advice. The Local Church is required to retain their own legal counsel and other advisors as necessary to facilitate the transactions contemplated herein. The Annual Conference, its Board of Trustees, its officers, directors, and employees, do not and will not offer any legal, accounting, tax, or other advice to the Local Church. All expenses associated with advice and counsel necessary to facilitate these transactions is the sole responsibility of the Local Church.

9. Time Limit. Should the Local Church fail to satisfy all its obligations set forth herein by 30 days after disaffiliation date, this Disaffiliation Agreement shall be null and void.

10. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits, to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

11. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

IN WITNESS WHEREOF, the Local Church and the Annual Conference, through authorized officers, have adopted this Disaffiliation Agreement on the date first above written.

LOCAL CHURCH:

ANNUAL CONFERENCE:

\_\_\_\_\_  
(Print local church name)

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Julie Childs

ITS: \_\_\_\_\_

ITS: Chair, Board of Trustees

Contact person within Local Church to receive signed agreement:

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Exhibit D

**MMUMC 2023 Apportionment Notice**



The North Georgia Conference of The United Methodist Church  
 Apportionment Notice 2023  
**Financial Support for our District and Conference Programs**

McEachern Memorial UMC  
 4075 Macland Rd  
 Powder Springs GA 30127

Year 2023  
 District Central West  
 Church #1414

<u>Fund</u>		<u>Monthly</u>	<u>Annually</u>
<b><u>North Georgia Conference</u></b>			
1	Ministerial Support	\$2,088.33	\$25,060.00
2	Retired Ministers Pension & Insurance Benefits	\$1,080.67	\$12,968.00
3	Conference Administration	\$2,304.08	\$27,649.00
4	Conference Benevolences	\$393.42	\$4,721.00
5	Capital Funding	\$17.42	\$209.00
6	Higher Education	\$802.42	\$9,629.00
12	Church Development	\$683.00	\$8,196.00
North Georgia Conference Total		<b><u>\$7,369.33</u></b>	<b><u>\$88,432.00</u></b>
<b><u>General Church</u></b>			
7	Black College Fund	\$289.33	\$3,472.00
8	Ministerial Education Fund	\$625.83	\$7,510.00
9	Interdenominational Cooperation Fund	\$8.67	\$104.00
10	World Service Fund	\$1,998.92	\$23,987.00
11	Africa University Fund	\$65.08	\$781.00
14	Episcopal Fund	\$802.67	\$9,632.00
15	General Administration Fund	\$246.17	\$2,954.00
General Church Total		<b><u>\$4,036.67</u></b>	<b><u>\$48,440.00</u></b>
<b><u>Southeastern Jurisdiction</u></b>			
16	SEJ's Mission and Ministry Fund	\$33.75	\$405.00
Southeastern Jurisdiction Total		<b><u>\$33.75</u></b>	<b><u>\$405.00</u></b>
Apportionments Total		<b><u>\$11,439.75</u></b>	<b><u>\$137,277.00</u></b>

*Please send Apportionment payments to:*  
 Conference Treasurer  
 PO Box 102417  
 Atlanta, GA 30368-2417

**NOTE: Effective 2022, district support expenses are included in Fund 3, Conference Administration. District Work Fund as a separate line item is discontinued.**

7/14/2023 12:13:19 AM



Exhibit E

**Trust Fund Notes from GDCR Presentation at Trustees on May 15, 2023**





Notes on Legal Presentation to McEachern Memorial UMC Trustees re: Trusts  
May 15, 2023

**Introduction**

- Megan Flores, attorney licensed in Georgia, practicing for about twenty years.
- Specializes in Trusts & Estates and Tax law; regularly advises non-profit organizations – both religious and secular.
- Currently with the law firm GDCR - Gregory Doyle Calhoun & Rogers; approximately 9 years there and leads the Trusts & Estates and Tax Practice Group.
- Not a Methodist; never read UMC Book of Discipline until started McEachern research
- Note: Law of trusts and state law governing non-profit corporations can overlap and intertwine.
- Not here as any person's attorney or to predict or guarantee any particular outcome.
- Purpose/Goal: Provide general information about Georgia law governing trusts and non-profit corporations.

**Work/Research Completed**

- Her work: analyze how the law of trusts and non-profit corporations in Georgia could impact any effort by MMUMC to disaffiliate from UMC and take McEachern Trust Fund and real estate with it.
- BIG QUESTIONS around what happens when laws applied to McEachern's disaffiliation from UMC.
- More questions than answers from her research.
- There are "real world consequences" when applying the law to the facts.
- May seem to be straightforward, but it's not. Really complicated and many possible outcomes.
- Information reviewed in her research:
  - Last Will and Testament of Lula Dobbs McEachern;
  - 2006 Petition and Modification Order- changed from paying to MMUMC 10% of the annual income from the total trust fund to the greater of 10% of the income or 4% of the total value of the trust fund;
  - Public Deed records;
  - Church's history on website;
  - UMC Book of Discipline (BOD);
  - MMUMC's Articles of Incorporation - which adopt the Book of Discipline as its Bylaws;
  - "Form" Disaffiliation Agreement - North Georgia Conference;
  - 2019 IRS Form 990-PF informational tax return filed by the McEachern Trust Fund.
  - Path Forward information on McEachern website
    - NOTE: She disagrees with the statement on our website that the trust fund "goes with the church" – thinks that is inaccurate and misleading.

## Terminology/Background

- “Trusts”: distinguished between “the Trust Clause” in the BOD vs. language contained in legal documents like deeds, wills, etc. that give property to the church “in trust”
- Not discussing the BOD Trust Clause tonight; only legal trusts
- At least two identifiable “trusts” identified for MMUMC –
  - The “McEachern Trust Fund” – from the will of Lula Dobbs McEachern;
  - A separate trust holding the land on which church sits - from language of deeds going back to 1887 (post civil war; documents before civil war burned in courthouse during war).
- MMUMC - 200-year history that is unique; drawing conclusions from general legal commentary on the internet or from cases involving other churches not helpful.
- “Church”: two entities involved here: (1) a church congregation that is currently part of the UMC; (2) “MMUMC, Inc.,” - a non-profit corporation governed by Georgia law and its own governing documents.
- Questions:
  - If MMUMC disaffiliates and is no longer part of the UMC, what remains or is left behind?
  - What entities have what rights in the property that was previously held “in trust” for the benefit of something that no longer exists?
  - If a disaffiliation occurs, has the church changed in a way that influences what entities have rights in the trust property going forward?
- What is a Trust? Legal definition – a fiduciary relationship. In a fiduciary relationship, one party owes a duty to another party to act in the other’s interest (examples: marriage, owners of for-profit businesses).
- In non-profit organizations, the governing body (Board of Trustees) owes duties to the organization’s members: stay objective, be responsible, honest, trustworthy, efficient for the benefit of its membership.
- For a trust, the fiduciary relationship involves three parties:
  - “Settlor” – person who creates the trust (i.e. for McEachern Trust Fund, Lula Dobbs McEachern);
  - “Trustee” – person or entity that administers the trust (i.e. for McEachern Trust Fund, Wells Fargo Bank).
  - “Beneficiary” – person or entity that benefits from the trust.
- Trust relationship between these three parties (from Georgia law and cases): The Trustee has duties and must administer the trust for the benefit of the beneficiary consistent with the settlor’s intent (whether that intent is expressly stated in the document or not).
- Settlor’s Intent is the MOST important principle...Trustee must follow.
- BIG QUESTIONS:
  - What if intent is ambiguous or unclear?
  - What if it can no longer be carried out because of changed circumstances?
  - What if the beneficiary can’t be identified or no longer exists?
- If a Trustee is unsure of anything, they have a duty to investigate. If they get it wrong, they risk being sued. Happens all the time.

- Trustee can avoid being sued by asking the Court to tell them what to do - process called Action for Declaratory Judgment.
- Large financial institutions like Wells Fargo who serve as Trustees of large trusts – charitable or personal – seek Declaratory Judgments all the time rather than risk being sued where any ambiguity or uncertainty exists.
- No downside – costs are paid from the trust fund; upside - court relieves Trustee of potential liability.
- In Action for Declaratory Judgment “parol evidence” can be used by court to properly understand and interpret the trust. “Parol evidence” is evidence that does not appear in the document creating the trust.

### **Application of Georgia Trust Law to McEachern’s Facts**

- Application of Georgia law of trusts to McEachern’s situation leads to BIG QUESTIONS around the impact of disaffiliation on the at least two identified trusts of MMUMC.
- The “McEachern Trust Fund”:
  - The Last Will and Testament of Lula Dobbs McEachern names beneficiary as “the McEachern Memorial Methodist Church at Macland, near Powder Springs, Cobb County, Georgia.”
  - Designation had a specific meaning to Mrs. McEachern when made...but what meaning?
    - Any church conducting services on this property?
    - A church with “the spirit” of the one she attended and supported?
    - Something else?
  - No such thing now as a church congregation named “McEachern Memorial Methodist Church at Macland” - has not been for a long time. So, THERE IS AMBIGUITY in the trust – Mrs. McEachern’s Will, standing alone, cannot be put into action as originally written.
  - The issue of the McEachern Trust Fund beneficiary was likely raised each time the church’s name or affiliation changed (when it joined the UMC; when it became a non-profit corporation, etc.).
  - Trustee’s records (or church records?) may tell us what happened in each instance – but these are not a public record. But - seems like there was no public controversy about it because no court records - congregation at least generally in agreement about the direction “the church”?
  - Now, there is a lack of agreement about the direction of MMUMC – so more likely the court involvement would be required (Declaratory Judgment Action). And the Trustee and any court will seek to identify Mrs. McEachern’s intention.
  - How do we do that -she’s not here to tell us and will is ambiguous...“parol evidence” ...evidence can be about the circumstances surrounding Mrs. McEachern at the time she signed the Will.
  - Mrs. McEachern was inducted into the Georgia Women of Achievement in 2002, described as a “woman ahead of her times”:
    - President of her church’s missionary society

- Elected to the board of the Women's Missionary Society of the North Georgia Conference of Methodist Churches.
  - Advisory committee of the Candler School of Theology at Emory University
  - Member of the board of trustees at Clarke College in Atlanta – an unusual appointment for a white woman in the early 1900s
  - President of the National Council of Federated Church Women
  - Member of the World Council of Christian Education
  - Chairman of the board of the Life of Georgia when Mr. McEachern died in 1928.
  - SHE WAS A VERY PROGRESSIVE WOMAN FOR HER TIME.
- The "McEachern Land Trust":
  - The "land" - real estate currently owned by the entity MMUMC, Inc.
  - BIG QUESTION: If disaffiliation occurs (and MMUMC, Inc. ceases to exist), what happens to the real estate?
  - This is a question of significant concern for MMUMC Board of Trustees (who have fiduciary duty) – they are the body with the authority to transfer the property if a transfer is required.
  - Appears to be an underlying trust holding land on which the church sits – so certain duties and obligations for the current Trustees according to Georgia Law.
  - Earliest available deed for the land is from 1887 (post destruction of records in the civil war). At that time, trust already in existence: property was given under that deed by "the Trustees" (who are named) of "Methodist Episcopal Church, South, of Powder Springs, Camp Ground...in trust for Ebenezer Methodist Episcopal Church, South, and their successors, heirs, and assigns."
  - Purpose of the trust unclear from this deed...but Georgia law favors finding a charitable trust in situations like these.
  - Where trust is found, Georgia statutes say if the deed fails to completely flesh out the intent, you look to the rules of discipline of the church (i.e. UMC Book of Discipline).
  - 1984 - same property was deeded to MMUMC, Inc. and no later deeds are recorded. Existence of prior charitable trust recognized and carried forward in 1984 deed.
  - In 1984, property was "conveyed in trust" with very specific purposes tied back to UMC Trust Clause - premises used, kept and maintained as a place of worship **of the UMC and members of the UMC**; subject to the Discipline. So, release of the land would be subject to release of the trust clause by the UMC.
  - What happens if the property is released from the UMC Trust Clause during disaffiliation?
  - Intent under the 1887 Deed would step back in (i.e. the rules of discipline of the church source of the permitted uses of the land). Full circle back to the UMC BOD.

- This is only two examples. Could be other trusts as well. Trustees should be investigating whether there are any other donor-imposed restrictions that could prevent diversion of restricted property to a disaffiliated church.
- Many Georgia cases stand for the principle that where church property in trust is devoted to a certain doctrine or purpose, property cannot be diverted from the purpose of the trust even if the majority of the congregation departs from the purpose of the trust's organization and doctrine and wants to move in different direction.

#### **Application of Georgia Non-Profit Law to McEachern's Facts**

- Application of Georgia law governing non-profit corporations creates more BIG QUESTIONS for a disaffiliated church – separate from the trust issues.
- MMUMC remained unincorporated until 1984 when it became a non-profit organization (MMUMC, Inc.).
- MMUMC, Inc.'s current corporate documents create additional obstacles to disaffiliation.
- Articles of Incorporation: the "sole purpose" of MMUMC, Inc. is "to be a church institution under the name and style of McEachern Memorial **United Methodist Church.**"
- NGC Form Disaffiliation Agreement requires that the phrase "United Methodist Church" be removed from everything. So, MMUMC, Inc. would have to dissolve.
- Articles provide that if MMUMC, Inc. is dissolved, all assets shall be distributed to another organization organized and operated for the same purposes, or another charitable organization **selected by the Annual Conference of the United Methodist Church.**
- If MMUMC, Inc. must "dissolve" in order to complete disaffiliation, it must rely on the UMC to decide to transfer the property of MMUMC, Inc. to the disaffiliated church entity. UMC unlikely to transfer MMUMC property to disaffiliated entity.
- Articles adopt BOD as MMUMC, Inc.'s Bylaws. Bylaws of a nonprofit corporation provide rules for the day-to-day operation of the corporation and corporate actions. Disaffiliated entity would likely not use the UMC BOD as its bylaws, so those bylaws would need to be changed.
- Section 2529.1c of the BOD provides that "... [t]he adoption or modification of a local church's organizing documents must be approved, in writing, by its pastor and district superintendent. . .". It is unclear whether both MMUMC's pastor and the district superintendent will agree to a change, particularly if the North Georgia Conference does not want to encourage MMUMC to disaffiliate.
- McEachern Trust Fund "beneficiary" in this context: if there is a dissolution of MMUMC, Inc., there is ambiguity in the Will. Subsection (e) states if the beneficiary "cease[s] to exist, or discontinue[s] operation, then I direct that the trustees of said estate dispose of income which would have gone to said institution by giving some to other educational or religious institutions which said trustees may select."
- If Wells Fargo determines, either independently or through a declaratory judgment action, that the beneficiary has ceased to exist (i.e. MMUMC, Inc. has been dissolved or materially changed), or discontinues operation, then Wells Fargo must determine which

educational or religious institution gets the benefit of the McEachern Trust Fund distributions going forward. It is unclear who Wells Fargo or the court would select after hearing all of the evidence.

### **Wrap Up**

- Conclusion: it is unclear whether the “disaffiliated church” would continue as the beneficiary.
- This stuff is complicated - no easy answers.
- You are right for taking the time to further investigate these issues as part of fulfilling fiduciary duties.

Question from the floor: What impact will families’ information/testimony/wishes have on the decision of who will receive the trust fund proceeds?

- Families’ information will be part of the “parol evidence” considered by the Court or Wells Fargo in determining Mrs. McEachern’s intent.

Exhibit F

**Email from Financial Director Regarding UMC Pastor Salary and Benefits**







Devin Gordon <devinhgordon@gmail.com>

## Cost Projections

Sharon Ellis <sellis@mceachernumc.org> Tue, Jul 18, 2023 at 1:04 PM

To: Randy Hardy - MSI <rhardy@mcelroyspecialty.com>,

Devin Gordon <devinhgordon@gmail.com>, Craig Hutto  
<hcraighuttojr@gmail.com>

Thank you both for your time and energy that was spent compiling the data for the cost projections and sustainability analysis.

I just had a suggestion regarding page 3.

Can you split the top line into two items:

NGC Apportionments 12/1/2023-11/30/2024 Stay UMC \$137,277

Disaffiliate \$137,277

We have paid \$80,078.25 of the current year's apportionments and anticipate paying monthly through 11/30/2023.

The second line would be:

NCG Unfunded Pension Liability \$124,143. This would be in the disaffiliation column

On page 8, the cost of the UMC clergy's remaining salaries and benefits through the end of 2023 is \$22k.

Sincerely

--

Sharon Ellis  
Director of Finance  
McEachern United Methodist Church  
Powder Springs, GA  
678-567-5003

