

# 2016 Financial Report



54th Annual Gathering  
June 9-10, 2017



Indiana-Kentucky Conference of the  
United Church of Christ

Annual Meeting  
June 9, 2017

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## **MOTIONS REGARDING THE 2018 BUDGET**

The Board of Directors of the Indiana-Kentucky Conference of the United Church of Christ recommends the following to the Annual Meeting:

### **MOTION A**

The Indiana-Kentucky Conference adopts a 2018 OCWM Basic Support budget goal of \$453,000.

### **MOTION B**

The Indiana-Kentucky Conference directs that 20% or \$90,600 of OCWM Basic Support plus 20% of OCWM gifts received from individual donors or \$2,000 be forwarded to the national setting of the United Church of Christ, and that 80% or \$362,400 of OCWM Basic Support plus 80 % of OCWM gifts received from individual donors or \$8,000 be retained for budget support by the Conference.

### **MOTION C**

The Indiana-Kentucky Conference adopts a 2018 budget with total income of \$626,500.00 and total expenses of \$626,500.00.

## 2018 Recommended Budget

	2015 Approved	2016 Approved	2017 Approved	2018 Recommended
<b>Income</b>				
OCWM Basic Support	\$650,000	\$625,000	\$453,000	\$453,000
Individual Donors	\$16,500	\$10,000	\$10,000	\$10,000
Annual Gathering Registrations	\$30,000	\$30,000	\$30,000	\$30,000
Event Registrations	\$100,000	\$100,000	\$100,000	\$100,000
Merom Conf Center Operations	\$256,000	\$296,500	\$0	\$0
Endowment and Reserve Funds				
OCWM Fund	\$500	\$500	\$500	\$500
Campus Ministries	\$5,000	\$5,000	\$5,000	\$5,000
Outdoor Ministries	\$2,000	\$2,000	\$2,000	\$2,000
Youth Ministries	\$2,000	\$2,000	\$2,000	\$2,000
Young Adult Ministries	\$2,000	\$2,000	\$2,000	\$2,000
DRB Church Dev Fund	\$97,283	\$177,178	\$0	\$0
Clergy & Lay Education Fund	\$5,000	\$7,000	\$7,000	\$7,000
Pastoral Emergency	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
Lovina Wesson/Pat Riley Memorial	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
Bishop Ambalavanar Girls Home	\$12,000	\$12,000	\$12,000	\$12,000
Sri Lanka Mission Partnership Fund	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
Disaster Prep & Response	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
Authorized Min Train Fund	\$3,000	\$3,000	\$3,000	\$3,000
Widening the Welcome	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
IKC Endowment Fund	\$40,000	\$0	\$0	\$0
<b>TOTAL INCOME</b>	<b><u>\$1,221,283</u></b>	<b><u>\$1,272,178</u></b>	<b><u>\$626,500</u></b>	<b><u>\$626,500</u></b>
<b>Expenses</b>				
National Ministry Support	\$133,300	\$127,000	\$90,600	\$90,600
Association Visitors	\$0	\$0	\$0	\$0
Program events	\$100,000	\$100,000	\$100,000	\$100,000
Subtotal	<b><u>\$233,300</u></b>	<b><u>\$227,000</u></b>	<b><u>\$190,600</u></b>	<b><u>\$190,600</u></b>
Board of Directors				
General Synod	\$10,500	\$12,000	\$12,000	\$12,000
Annual Gathering	\$30,000	\$30,000	\$30,000	\$30,000
Auditor/Accounting Support	\$9,500	\$9,500	\$9,500	\$9,500
Memberships & Dues	\$8,000	\$9,000	\$9,000	\$9,000
Legal Fees and Counseling	\$3,500	\$3,500	\$3,500	\$3,500
Board of Directors Meetings	\$3,000	\$5,000	\$5,000	\$5,000
Surplus or Transition Expense	\$0	\$10,000	\$47,946	\$47,946
Misc.	\$2,500	\$2,500	\$2,500	\$2,500
Subtotal Board of Directors	<b><u>\$67,000</u></b>	<b><u>\$81,500</u></b>	<b><u>\$119,446</u></b>	<b><u>\$119,446</u></b>
Staff Expenses				
Subtotal Staff Expenses	<b><u>\$493,633</u></b>	<b><u>\$538,728</u></b>	<b><u>\$234,204</u></b>	<b><u>\$234,204</u></b>
Office Office supplies	\$2,500	\$2,500	\$2,500	\$2,500
Payroll services	\$2,250	\$2,250	\$2,250	\$2,250
Office Equipment				
Leases	\$7,500	\$4,000	\$4,000	\$4,000
Purchases	\$3,100	\$2,000	\$2,000	\$2,000
Maintenance	\$4,000	\$2,000	\$2,000	\$2,000
Postage	\$5,000	\$3,000	\$3,000	\$3,000
Office Telephone	\$4,000	\$2,500	\$2,500	\$2,500
Rent	\$36,000	\$23,000	\$23,000	\$23,000
Subtotal Office Expenses	<b><u>\$64,350</u></b>	<b><u>\$41,250</u></b>	<b><u>\$41,250</u></b>	<b><u>\$41,250</u></b>

## 2018 Recommended Budget

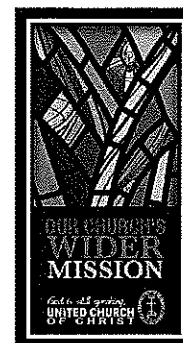
	2015 Approved	2016 Approved	2017 Approved	2018 Recommended
<b>Expenses (contd)</b>				
Property Insurance & Workers Comp Insurance				
Indy Office	\$3,500	\$4,500	\$4,500	\$4,500
Workers Comp (All Employees)	\$3,500	\$3,500	\$3,500	\$3,500
Subtotal Insurances	<u>\$7,000</u>	<u>\$8,000</u>	<u>\$8,000</u>	<u>\$8,000</u>
Ministry Support				
Campus Ministries	\$5,000	\$5,000	\$5,000	\$5,000
Outdoor Ministries	\$2,000	\$2,000	\$2,000	\$2,000
Youth Ministries	\$2,000	\$2,000	\$2,000	\$2,000
Young Adult Ministries	\$2,000	\$2,000	\$2,000	\$2,000
DRB Church Dev Fund	\$20,000	\$0	\$0	\$0
Clergy & Lay Education Fund	\$5,000	\$7,000	\$7,000	\$7,000
Pastoral Emergency	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
Lovina Wesson/Pat Riley Memorial	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
Bishop Ambalavanar Girls Home	\$12,000	\$12,000	\$12,000	\$12,000
Sri Lanka Mission Partnership Fund	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
Disaster Prep & Response	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
Authorized Min Train Fund	\$3,000	\$3,000	\$3,000	\$3,000
Widening the Welcome	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>	<i>As needed</i>
IKC Endowment Fund	\$0	\$0	\$0	\$0
Subtotal Endowment and Reserve Funds	<u>\$51,000</u>	<u>\$33,000</u>	<u>\$33,000</u>	<u>\$33,000</u>
<b>TOTAL EXPENSES</b>	<b>\$916,283</b>	<b>\$929,478</b>	<b>\$626,500</b>	<b>\$626,500</b>
<b>NET INCOME (DEFICIT)</b>	<b>\$305,000</b>	<b>\$342,700</b>	<b>\$0</b>	<b>\$0</b>

# Budget Narrative 2018

## INCOME

### Our Church's Wider Mission (OCWM) Basic Support

Basic Support is funding contributed by the churches and individuals to support the common work and ministry of the Conference. Churches contribute as part of their ministry in covenant with the Conference. 20% of all the dollars received for OCWM Basic Support will be forwarded to the national church.



### Individual Donors

This amount was contributed by individuals over and above their congregation's contributions because of their devotion to and support for the work of the wider church. The total gift is divided between the Conference and the national setting of the UCC as noted above.

### Annual Gathering Registrations

This is the amount that is collected in registration fees from those attending the Annual Gathering and Meeting of the Indiana-Kentucky Conference.

### Event Registrations

This line item includes dollars that are collected as registrations for the various events that the Indiana-Kentucky Conference holds each year. They include but are not limited to summer camp, clergy retreat, women's retreat, etc.

### Endowments and Reserve Funds

Earnings from conference reserve funds supplement the work of the Conference. Each reserve fund supports a particular portion of ministry as specified by donors and delineated in the IKC Endowment Policy. Each fund is listed with the amount of dollars that is expected to be spent from it.

## EXPENSES

### National OCWM Basic Support

This is the part of Basic Support that is sent to the national setting of the church for the national and international ministries of the United Church of Christ.

### Association Visitors

Travel expenses of Association Visitors are reimbursed here. Ministry work by the Associations is now being funded by the Associations.

### Board of Directors

#### *General Synod*

The Conference sends delegates to the General Synod held every other year. The budget covers costs of orientation sessions, registration expense, travel and lodging, and when possible a small per diem allowance for meals. An annual amount is budgeted to spread the bi-annual costs.

#### *Annual Gathering*

The Annual Gathering is designed to be self-supporting through the registrations charged. This line pays for the rental of space, meals, speakers, workshop leaders, etc. for those attending the Annual Gathering.

#### *Auditor/Accounting Support*

The Conference financial accounts and processes are audited by Certified Public Accountants every year. Periodic support is needed to update software and provide training and consultation. Annual audits insure transparency and accountability.

## **Budget Narrative 2018**

### ***Membership and Dues***

The Conference participates in the expenses of several organizations that support our ministries. These include: the Council of Conference Ministers, Great Lakes Association of United Church Educators, the Historical Council of the United Church of Christ, the Midwest Ministry Development Network, and dues for the operation of CUE.

### ***Legal Fees and Counseling***

The Conference appointed attorney is paid hourly when service is requested. The Conference also participates in retaining a UCC National Special Counsel whose broad experience with the UCC is available to us upon request. Our "share" of that expense is currently \$31.00 per congregation. The counseling budget supplements the cost of counseling not covered by our insurance program.

### ***Board of Directors Meetings***

This expense reimburses the Board of Directors for travel, meals and overnight housing for meetings, its sub-committees, or special committees appointed by the Board.

### ***Not Otherwise Provided For***

A miscellaneous expense item for gifts and staff events, and amenities for partner church leaders as needed.

### **Staff Expenses**

These dollars go to support expenses that are necessary to have staff. They include payroll, health and dental insurance, retirement benefits, disability insurance, etc.

### **Office Expenses**

#### ***Office Supplies***

This line includes routine office supplies necessary to operate the Conference office.

#### ***Payroll Services***

We use a payroll service to process professional and support staff payroll for the Conference, the Merom Conference Center and for all new church starts. The service includes up-to-date information regarding federal, state and local tax filings and payments, W-2 processing and basic Human Resource support.

#### ***Office Equipment***

This category of expense is for costs incurred in purchase and lease-purchase options for office equipment. It also includes dollars that are used to maintain the equipment purchased or leased by the Conference.

#### ***Postage***

This expense covers the cost of mailing for business conducted by the Conference.

#### ***Telephone Expenses***

This expense is for the local and long distance phone service for the Indianapolis office.

#### ***Rent***

This expense is for the Indianapolis office.

### **Property and Workers Comp Insurances**

This expense is the cost of general liability and property coverage for the Conference provided through the Insurance Board. It also includes the cost of Workers' Compensation Insurance for all employees of the Conference.

### **Ministry Support**

The dollars that are spent from each reserve fund are recorded in these line items.

## Statement of Activity 2016

	2014 Actual	2015 Actual	2016 Actual	2016 Budget Annual
<b>Income</b>				
OCWM Basic Support	\$661,762	\$602,751	\$588,056	\$625,000
Individual Donors	\$8,881	\$8,589	\$10,848	\$10,000
Annual Gathering Registrations	\$33,140	\$30,129	\$22,701	\$30,000
Event Registrations	\$122,652	\$117,402	\$105,667	\$100,000
Merom Conf Center Operations	\$287,313	\$257,014	\$215,845	\$296,500
Endowment and Reserve Funds				
OCWM Fund	\$500	\$500	\$500	\$500
Campus Ministries	\$0	\$7,000	\$3,500	\$5,000
Outdoor Ministries	\$0	\$0	\$2,000	\$2,000
Youth Ministries	\$0	\$40	\$0	\$2,000
Young Adult Ministries	\$0	\$0	\$0	\$2,000
DRB Church Dev Fund	\$106,165	\$20,013	\$83,537	\$177,178
Clergy & Lay Education Fund	\$6,485	\$4,684	\$4,800	\$7,000
Pastoral Emergency	\$0	\$4,913	\$1,500	<i>As needed</i>
IKC Endowment Fund	\$0	\$43,592	\$0	\$0
Lovina Wesson Memorial	\$220	\$0	\$0	<i>As needed</i>
Bishop Ambalavanar Girls Home	\$7,647	\$12,500	\$5,000	\$12,000
Sri Lanka Mission Partnership Fund	\$12,500	\$400	\$0	<i>As needed</i>
Disaster Prep & Response	\$4,454	\$467	\$263	<i>As needed</i>
Authorized Min Train Fund	\$313	\$900	\$485	\$3,000
Dan Crown Memorial Fund	\$0	\$0	\$0	<i>As needed</i>
Merom Capital Fund	\$3,437	\$27,229	\$33,896	<i>As needed</i>
Merom Endowment	\$14,000	\$14,000	\$14,000	\$14,000
<b>TOTAL INCOME</b>	<b><u>\$1,269,470</u></b>	<b><u>\$1,152,123</u></b>	<b><u>\$1,092,598</u></b>	<b><u>\$1,286,178</u></b>
<b>Expenses</b>				
National Ministry Support	\$127,148	\$117,438	\$112,263	\$127,000
Association Visitors	\$17	\$245	\$194	\$0
Merom Conference Center	\$343,306	\$311,092	\$337,418	\$330,700
Program events	\$131,556	\$125,781	\$119,991	\$100,000
Subtotal	<b><u>\$602,027</u></b>	<b><u>\$554,556</u></b>	<b><u>\$569,867</u></b>	<b><u>\$557,700</u></b>
Board of Directors				
General Synod	\$9,000	\$7,959	\$9,290	\$12,000
Annual Meeting	\$31,594	\$28,083	\$22,063	\$30,000
Auditor	\$9,375	\$9,246	\$8,926	\$9,500
Memberships & Dues	\$8,951	\$7,629	\$10,008	\$9,000
Legal	\$3,754	\$3,407	\$4,402	\$3,500
Board meetings	\$3,647	\$4,793	\$3,916	\$5,000
Transition Expenses	\$0	\$0	\$1,091	\$10,000
Misc.	\$2,486	\$1,032	\$1,722	\$2,500
Subtotal Board of Directors	<b><u>\$68,808</u></b>	<b><u>\$62,148</u></b>	<b><u>\$61,418</u></b>	<b><u>\$81,500</u></b>
Staff Expenses				
Professional Staff [CM, 2 ACM, MCC Dir (part-time)]				
Salary	\$176,805	\$172,770	\$197,812	\$187,651
Retirement	\$26,000	\$4,739	\$10,527	\$28,285
Medical	\$44,081	\$18,606	\$10,271	\$58,095
FICA	\$2,090	\$2,127	\$2,287	\$8,242
Subtotal	<b><u>\$248,976</u></b>	<b><u>\$198,241</u></b>	<b><u>\$220,898</u></b>	<b><u>\$282,273</u></b>



## Statement of Activity 2016

	2014 Actual	2015 Actual	2016 Actual	2016 Budget Annual
<b>Expenses (contd)</b>				
Support Staff - Indianapolis Office Staff				
Salary	\$144,481	\$117,138	\$101,704	\$129,875
Retirement	\$21,040	\$14,177	\$16,850	\$20,987
Medical	\$37,608	\$30,235	\$27,608	\$42,735
FICA	\$11,035	\$8,562	\$7,597	\$10,358
Subtotal	<u>\$214,164</u>	<u>\$170,111</u>	<u>\$153,759</u>	<u>\$203,955</u>
Staff Travel				
Mileage, Room, Board & Other	\$44,315	\$38,264	\$29,789	\$44,000
Vehicle	\$7,000	\$0	\$0	\$7,000
Subtotal	<u>\$51,315</u>	<u>\$38,264</u>	<u>\$29,789</u>	<u>\$51,000</u>
Professional expenses	\$1,170	\$571	\$0	\$1,500
Subtotal Staff Expenses	<u>\$515,625</u>	<u>\$407,187</u>	<u>\$404,446</u>	<u>\$538,728</u>
Office Expenses				
Office supplies	\$1,001	\$8,407	\$1,260	\$2,500
Payroll services	\$2,795	\$1,609	\$1,366	\$2,250
Office Equipment				
Leases	\$5,169	\$7,568	\$5,666	\$4,000
Purchases	\$2,051	\$1,720	\$0	\$2,000
Maintenance	\$1,883	\$2,581	\$2,565	\$2,000
Postage	\$2,970	\$1,996	\$1,142	\$3,000
Office Telephone	\$3,248	\$2,770	\$3,035	\$2,500
Rent	\$33,711	\$32,991	\$22,050	\$23,000
Subtotal Office Expenses	<u>\$52,828</u>	<u>\$59,642</u>	<u>\$37,084</u>	<u>\$41,250</u>
Property Insurance & Workers Comp Insurance				
Indy Office	\$6,753	\$6,331	\$8,297	\$4,500
Merom Conference Center	\$24,749	\$26,508	\$25,607	\$26,000
Workers Comp (All Employees)	\$4,123	\$2,644	\$3,492	\$3,500
Subtotal Insurances	<u>\$35,625</u>	<u>\$35,483</u>	<u>\$37,396</u>	<u>\$34,000</u>
Ministry Support				
Campus Ministries	\$0	\$7,000	\$3,500	\$5,000
Outdoor Ministries	\$0	\$0	\$0	\$2,000
Youth Ministries	\$0	\$40	\$0	\$2,000
Young Adult Ministries	\$0	\$0	\$0	\$2,000
DRB Church Dev Fund	\$61,665	\$15,013	\$13,337	\$0
Clergy & Lay Education Fund	\$6,485	\$4,684	\$4,800	\$7,000
Pastoral Emergency	\$0	\$4,913	\$1,500	As needed
Authorized Min Train Fund	\$0	\$900	\$0	\$0
Lovina Wesson memorial	\$220	\$0	\$0	As needed
Bishop Ambalavanar Girls Home	\$7,647	\$12,500	\$5,000	\$12,000
Sri Lanka Mission Partnership Fund	\$12,500	\$400	\$0	As needed
Disaster Prep & Response	\$4,454	\$467	\$263	As needed
Authorized Min Train Fund	\$313	\$0	\$485	\$3,000
Dan Crown Memorial Cabin	\$0	\$0	\$0	As needed
Merom Capital Fund	\$3,437	\$27,229	\$33,896	
Merom Endowment Fund	\$0	\$0	\$0	\$0
Subtotal Endowment and Reserve Funds	<u>\$96,722</u>	<u>\$73,146</u>	<u>\$62,781</u>	<u>\$33,000</u>
TOTAL EXPENSES	<u>\$1,371,635</u>	<u>\$1,192,163</u>	<u>\$1,172,991</u>	<u>\$1,286,178</u>
NET INCOME (DEFICIT)	-\$102,164	-\$40,040	-\$80,393	\$0

**MEROM CONFERENCE CENTER**

**2016**

**Statement of Activity**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>
<b>SUPPORT</b>				
Fee Income				
IKC Programs	\$ 8,571.55	\$ 15,897.20	\$ 11,179.86	\$ 12,000.00
IKC Summer Camp	\$ 93,373.00	\$ 96,736.00	\$ 92,495.00	\$ 100,000.00
Merom Conf Center Programs	\$ 34,262.00	\$ 28,402.50	\$ 25,356.90	\$ 35,000.00
Other Groups	\$ 47,198.50	\$ 47,233.50	\$ 36,863.50	\$ 50,000.00
Subtotal Fee Income	<u>\$ 183,405.05</u>	<u>\$ 188,269.20</u>	<u>\$ 165,895.26</u>	<u>\$ 197,000.00</u>
Gift Shop Revenue	\$ 4,057.82	\$ 2,963.77	\$ 2,376.26	\$ 4,500.00
Gifts from Congregations	\$ 35,889.47	\$ 28,789.59	\$ 21,103.00	\$ 40,000.00
Gifts from Individuals	\$ 32,890.44	\$ 30,652.45	\$ 21,193.17	\$ 32,000.00
Investment Income	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00
IKC Support		\$ 25,000.00	\$ 20,200.00	\$ 20,200.00
Other Gifts & Fundraising	\$ 31,070.22	\$ 6,339.43	\$ 5,277.02	\$ 23,000.00
Transfers from Reserve Funds				
Subtotal Gift & Endowment Income	<u>\$ 117,907.95</u>	<u>\$ 107,745.24</u>	<u>\$ 84,149.45</u>	<u>\$ 133,700.00</u>
<b>Total Support</b>	<u><u>\$301,313.00</u></u>	<u><u>\$296,014.44</u></u>	<u><u>\$250,044.71</u></u>	<u><u>\$330,700.00</u></u>
<b>EXPENSES</b>				
Food and Supplies	\$ 48,374.34	\$ 48,123.70	\$ 50,915.92	\$ 50,000.00
Gift Shop Expenses	\$ 3,248.65	\$ 890.75	\$ 3,794.32	\$ 2,000.00
Housekeeping Supplies	\$ 3,224.43	\$ 2,607.63	\$ 2,208.81	\$ 3,000.00
Program Expenses/First Aid	\$ 7,476.96	\$ 4,783.10	\$ 6,510.40	\$ 6,000.00
Utilities	\$ 77,202.93	\$ 60,137.99	\$ 54,676.84	\$ 50,000.00
Vehicle Expenses	\$ 3,915.11	\$ 2,080.74	\$ 4,204.84	\$ 3,000.00
Swimming Pool	\$ 2,809.69	\$ 3,014.20	\$ 3,629.80	\$ 3,000.00
Buildings & Grounds	\$ 25,790.92	\$ 36,346.90	\$ 31,830.53	\$ 20,000.00
Equipment	\$ 236.98	\$ 602.05	\$ -	\$ 500.00
Public Relations	\$ 135.00	\$ 135.00	\$ 130.00	\$ 300.00
Governing Board Expenses	\$ 50.40	\$ (50.40)	\$ -	\$ 400.00
Office Expenses	\$ 17,580.46	\$ 15,482.72	\$ 22,786.48	\$ 16,000.00
Capital Improvements	\$ -	\$ -	\$ -	\$ -
Staff Pay & Benefits	\$ 152,572.28	\$ 136,937.69	\$ 152,047.66	\$ 175,000.00
Staff Development & Travel	\$ 687.80	\$ -	\$ 4,682.63	\$ 1,500.00
<b>Total Expenses</b>	<u><u>\$ 343,305.95</u></u>	<u><u>\$ 311,092.07</u></u>	<u><u>\$ 337,418.23</u></u>	<u><u>\$ 330,700.00</u></u>
<b>Net Income (Expense)</b>	\$ (41,992.95)	\$ (15,077.63)	\$ (87,373.52)	\$ -

**Designated Reserve Funds**  
**Balances as of December 31, 2016**  
**As Classified by Generally Accepted Accounting Principles (GAAP)**

	2014	2015	2016
<b>Unrestricted Funds</b>			
OCWM Fund	\$ 1,448.09	\$ 835.51	\$ 1,336.41
Campus Ministries Fund	\$ 128,585.08	\$ 120,236.41	\$ 122,300.10
Outdoor Ministries Reserve Fund	\$ 23,849.07	\$ 23,598.93	\$ 24,691.08
Youth Ministries Fund	\$ 52,195.96	\$ 51,608.41	\$ 53,997.28
Young Adult Ministries Fund	\$ 48,875.85	\$ 48,362.96	\$ 50,601.07
DRB Development Fund	\$ 465,924.35	\$ 461,982.49	\$ 467,797.76
Merom Capital Fund	\$ 15,427.63	\$ 49,493.21	\$ 8,407.78
<b>Total Unrestricted Funds</b>	<b>\$ 736,306.03</b>	<b>\$ 756,117.92</b>	<b>\$ 729,131.48</b>
<b>Temporarily Restricted by Donor</b>			
Clergy & Lay Education Fund	\$ 76,248.92	\$ 70,857.79	\$ 69,629.41
Pastoral Emergency Fund	\$ 6,365.76	\$ 2,985.85	\$ 1,624.18
Lovina Wesson/Pat Riley Memorial Fund	\$ 4,026.79	\$ 3,980.24	\$ 3,964.18
Authorized Ministry Training Fund	\$ 9,573.59	\$ 8,577.93	\$ 8,229.96
Dan Crown Memorial	\$ 272,808.92	\$ 275,008.93	\$ 276,009.00
Widening the Welcome	\$ 39,105.00	\$ 39,104.64	\$ 39,105.00
<b>Total Temporarily Restricted Funds</b>	<b>\$ 408,128.98</b>	<b>\$ 400,515.38</b>	<b>\$ 398,561.73</b>
<b>Permanently Restricted by Donor</b>			
OCWM Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Merom Endowment Fund	\$ 323,591.20	\$ 218,475.82	\$ 213,314.00
IKC Endowment Fund	\$ 44,054.42	\$ -	\$ -
<b>Total Permanently Restricted Funds</b>	<b>\$ 377,645.62</b>	<b>\$ 228,475.82</b>	<b>\$ 223,314.00</b>
<b>Other</b>			
Bishop Ambalavanar Girls Home Fund	\$ 32,914.70	\$ 20,414.70	\$ 997.32
Sri Lanka Mission Partnership Fund	\$ 10,553.75	\$ 11,713.75	\$ 13,163.75
Disaster Preparedness & Response Min F	\$ 30,749.77	\$ 22,932.44	\$ 24,633.09
<b>Total Other Funds</b>	<b>\$ 74,218.22</b>	<b>\$ 55,060.89</b>	<b>\$ 38,794.16</b>
<b>Grand Total of all Funds</b>	<b>\$ 1,596,298.85</b>	<b>\$ 1,440,170.01</b>	<b>\$ 1,389,801.37</b>

# DESCRIPTION OF RESERVE FUNDS OF THE INDIANA-KENTUCKY CONFERENCE UNITED CHURCH OF CHRIST

## UNRESTRICTED FUNDS<sup>i</sup>

### I. Our Church's Wider Mission Fund<sup>ii</sup>

This fund is made up of two parts - an unrestricted portion<sup>iii</sup> and a restricted portion of \$10,000.00<sup>iv</sup>.

The income earned on the principal of this fund will be used as additional revenue to the Conference. This income will be credited to the Operating Fund on a yearly basis. The earnings rate will be the average of earnings rate as reported on the investment account year-end report. The income earned will be reported by the Treasurer with other year-end financial reports made at the spring meeting of the Board of Directors.

### II. Campus Ministries Fund

This fund was established through the sale of Campus Ministry properties which were sold to Indiana and Purdue Universities, and by action of the Board of Directors were designated as a fund, whose invested proceeds will be used for Christian Ministry on the campuses of higher education in the Indiana-Kentucky Conference. The original principal balance of this fund was \$75,000.00<sup>v</sup>.

The Faith Education Committee will administer this fund by requesting the amount they will need each year in their budget request to the Finance and Budget Committee.

### III. Outdoor Ministries Reserve Fund

This fund was set up as of January 1, 2001 from the division of the Eagle Lake Fund. The initial balance of this fund was \$38,466.50 and is to be used to further the camping programs through the Outdoor Ministries Committee. The Outdoor Ministries Committee will be responsible to the Finance and Budget Committee of the Board of Directors. Hence, the Outdoor Ministries Committee will be required to submit a request each year with their budget, for the amount and use of these monies.

### IV. Youth Ministries Fund

This fund was set up as of January 1, 2001 from the division of the Eagle Lake Fund. The initial balance of this fund was \$38,466.50. This fund will be under the supervision of the Director of Youth and Young Adult Ministries through the Faith Education Committee. The purpose of this fund will be to promote the spiritual growth and faith journeys of the youth in our conference. The Faith Education Committee will be responsible to the Finance and Budget Committee of the Board of Directors. They will be required to submit their request for the amount and use of these funds to the Finance and Budget Committee each year as part of their budget request.

### V. Young Adult Ministries Fund

This fund was set up as of January 1, 2001 from the division of the Eagle Lake Fund. The initial balance of this fund will be \$38,466.50. This fund will be under the supervision of the Director of Youth and Young Adult Ministries through the Faith Education Committee. The purpose of this fund will be to promote the spiritual growth and faith journeys of the young adults in the Conference. The Faith Education Committee will be responsible to the Finance and Budget Committee of the Board of Directors. They will be required to submit their request for the amount and use of these funds to the Finance and Budget Committee each year as part of their budget request.

### VI. Donald R. Buckthal Development Fund

These funds will be used to support new church starts and renewal churches through purchase of property, grants and subsidies. This fund will also be used to grant loans to churches needing emergency aid, for capital repairs within the guidelines of the Policy approved by the Board of Directors on November 5, 1999<sup>vi</sup>. The Apollos Offering will be adding to this fund for leadership development in new churches. The Board of Directors administers this fund based on the recommendations of the New Church Start Committee.

### VII. Merom Capital Fund

This fund was set up by the Merom Governing Board to fund large capital expenses. At the present time, the proceeds come from a fee charged for facilities use. The Merom Governing Board will report yearly on the use or intended use of the funds to the Board of Directors by the Annual Meeting each year.

### **VIII. Holding Fund**

This fund will be used to hold escrow amounts from one year to the next. It will include the special offerings and appeals until they are used or added to one of the funds above. No amount will remain in this account for more than a period of one year. Upon the expiration of this time frame any funds not used will be automatically added to the OCWM Fund as income. The amounts in this fund will be under the supervision of the Finance and Budget Committee of the Board of Directors.

### **IX. Property Fund**

This fund includes all the property owned by the Conference. It includes physical plant, machinery, equipment, inventory, etc. It is administered by the Board of Directors.

### **X. Operating Fund**

This fund will be used for the day-to-day operations of the Conference. This fund is funded mainly by OCWM Basic Support.

## **TEMPORARILY RESTRICTED BY DONOR<sup>vii</sup>**

### **XI. Clergy and Lay Education Fund**

This fund will be used to grant scholarships and make loans for education of clergy and occasionally to laity to participate in professional growth opportunities. Members-in-Discernment grants will be made out of this fund. These distributions will be made by individual grants or for conference-wide programming. Each year, no more than \$1,500.00 of the Members-in-Discernment grants will be designated as Harry W. Bredweg Scholarship, and another of \$1,500.00 shall be designated as First UCC, Muncie Scholarship. The Conference Minister and the Associate Conference Ministers will administer this fund. They will provide a written report on the use of these funds to the Finance and Budget Committee of the Board of Directors by the end of the first quarter each year. The Finance and Budget Committee of the Board of Directors will be responsible for releasing the total dollar amount available each year by the end of the first quarter of each year. Any changes to loan and grant policies will need to be approved by the Board of Directors.

### **XII. Pastoral Emergency Fund**

This fund will be used to assist clergy and/or clergy families who need emergency aid. For example, it can be used to pay for pastoral supply in times of illness, when all vacation has been used and the local church agrees to continue salary until disability begins. Applications for assistance will need to be made in writing to the Conference Minister or the Associate Conference Ministers. This fund will be administered by the Conference staff upon the approval of three of the following persons: Conference Minister, Associate Conference Ministers, Chair of the Finance & Budget Committee and Treasurer. The amount expended may be in the form of a grant or a loan. In the case of either a loan or a grant, the maximum amount will be \$2,000.00. Any loans will be made at an interest rate of 7%, repayable in equal monthly installments over a period of 5 years. An annual report will be made to the Finance and Budget Committee of the Board of Directors by the end of the first quarter of the year.

### **XIII. Lovina Wesson/Pat Riley Memorial Fund**

This fund was set up by a gift of \$3,000.00 from Patricia Riley, in memory of her mother, Ms. Lovina Wesson, who was very active with the Women's Board. The fund will provide scholarships for women of the Conference to attend retreats and continuing education events. In 2015 after the death of Patricia Riley the fund was renamed. The fund is administered by the Women's Board. The Women's Board will make a report to the Board of Directors each year by the Annual Meeting.

### **XIV. Dan Crown Fund**

This fund was set up with a gift from Hickory Grove UCC, Delphi. The gift was the settlement of the estate of Mr. Dan Crown who was a camp counselor and served on the Merom Governing Board.

### **XV. Merom Capital Fund**

This fund was created in 2006 with the intent to build it up for the future capital needs of the Merom Conference Center. It was funded primarily by a \$1.00 facilities charge for each person that used the campus. It was increased to \$2.00 per person in 2012. The fund is used to meet the ongoing capital expenses at the site like replacing trees, updating restrooms and handicap accessibility, etc.

#### **XVI. Authorized Ministry Training Fund**

This Fund will be used to provide scholarships for those wishing to enter authorized ministry in the Indiana-Kentucky Conference. The seed money for this fund was received from Salem United Church of Christ in Louisville, Kentucky. This fund will be administered by the Conference staff upon the approval of three of the following persons: Conference Minister, Associate Conference Ministers, Chair of the Finance & Budget Committee and Treasurer. An annual report will be made to the Finance and Budget Committee of the Board of Directors by the end of the first quarter of the year.

#### **XVII. Widening the Welcome**

The Fund will be used in the furtherance of the Indiana-Kentucky Conference's participation in the United Church of Christ's "Widening the Welcome" Annual Conference, or alternative future conferences addressing Mental Health and/or Brain Disorder/Injuries. The fund will provide scholarships. The fund will be administered by the Conference staff upon the approval of three of the following persons: Conference Minister, Associate Conference Ministers, Chair of the Finance & Budget Committee and Treasurer. An annual report will be made to the Finance and Budget Committee of the Board of Directors by the end of the first quarter of the year.

### **PERMANENTLY RESTRICTED FUNDS<sup>viii</sup>**

#### **XVIII. Merom Endowment Fund**

This fund was created for the sole purpose of maintaining the buildings and grounds of the Merom Conference Center. The principal should always be held intact and should not be pledged or borrowed against. In the year 2001, \$38,466.50 was added to the principal of this fund from the division of the Eagle Lake Endowment Fund. The interest earned should be used each year to maintain and improve the buildings and grounds. The unused interest should be carried forward or added to the principal balance of the endowment. The Merom Governing Board will report annually on the use or intended use of the interest earned to the Board of Directors by the Annual Meeting each year.

##### **I. Our Church's Wider Mission Fund**

Only the interest earned on this portion of the principal of this fund will be used as additional revenue to the Conference and the National Office. This interest will be credited to the Operating Fund on a yearly basis. The interest rate will be the average of interest rate as reported on the investment account year-end report. The interest earned will be reported by the Treasurer with other year-end financial reports made at the March meeting of the Board of Directors.

### **OTHER RESERVE FUNDS<sup>ix</sup>**

#### **XIX. The Bishop Ambalavanar Girls Home Fund**

This fund is made up of gifts that churches and individuals gave to the support of the girls at the Bishop Ambalavanar Girls Home in Nuwerya Eliya, Sri Lanka. At the end of the civil war the government of Sri Lanka closed the home so that the children could return to their families. This fund is now used to partner with the Church of the American Ceylon Mission to enhance the training of pastors who could not complete their education due to the civil war. It is also being used in part to support the collaboration with seminaries to bring students to the United States to complete their seminary education. The fund will be administered by the Sri Lanka Mission Partnership Committee. The committee will make an annual report to the Board of Directors by the Annual Meeting each year.

#### **XX. Sri Lanka Mission Partnership Fund**

The fund supports the development of the partnership with the Church of the American Ceylon Mission. The fund will be administered by the Sri Lanka Mission Partnership Committee. The committee will make an annual report to the Board of Directors by the Annual Meeting each year.

#### **XXI. Disaster Preparedness Ministries Fund**

The dollars in this fund help the Conference equip leaders and provide resources to help the churches deal with catastrophic occurrences in their communities. These funds also supplement grants from One Great Hour of Sharing, which are used in recovery work done through work camps and other recovery ministries. The fund will be administered by the Disaster Preparedness and Response Ministry Team. The committee

will make an annual report to the Social Issues and Services Committee by the end of the first quarter of the year.

*Drafted March 2001*

*Updated May 2015*

### Notes to the Designated Reserve Funds

<sup>i</sup> Unrestricted Funds are those funds, which comprise gifts by donors with no restriction as to time or purpose.

<sup>ii</sup> In 1997, the accumulated deficit in the Operating Fund was written off by the proceeds of this fund leaving only the donor designated \$10,000.00.

<sup>iii</sup> Included the 1990 gift of \$70,666.66 from the Heisterberg estate.

<sup>iv</sup> A restricted gift from Louis Burke, lay member of St. John's UCC (Southport), Indianapolis.

<sup>v</sup> By Board of Directors vote 1993.

<sup>vi</sup> The Donald R. Buckthal Development Fund (DRB Fund) of the Indiana-Kentucky Conference of the United Church of Christ will serve as a lender of last resort for churches, who have extinguished all other possibilities of borrowing. These other possibilities would be Banks and other Financial Institutions, Individuals and the National Church. The Asset Management Committee will assist the congregation in trying to find funding through these other resources before considering the DRB Fund as a lender.

Loans that would be considered for support from the DRB Fund would include

- Emergency repairs to church infrastructure
- Repairs of mechanical fixtures of the church i.e. water heaters, furnaces, etc.
- Any other type of requirement that would necessitate emergency borrowing.

The DRB Fund should not be considered a loan source for planned church physical plant expansion or renovation, nor should it be considered a source for loans to individual pastors or congregation members.

Requests for loans should be sent to the attention of the Asset Management Committee of the Board of Directors. The request should specify the amount of the loan, the length of time the loan is expected to be outstanding and some comments on the congregation's ability to pay not only the principal but also interest, as the DRB Fund is an invested resource of the Conference.

<sup>vii</sup> Temporarily Restricted by Donor includes assets that can be spent only for the explicit purpose outlined by the donor or within a certain length of time.

<sup>viii</sup> Permanently restricted funds include net assets that are given by donors with the stipulation that only the income generated from the principal may be spent.

<sup>ix</sup> These funds are really accounts payable because they are pass through to other specific organizations.