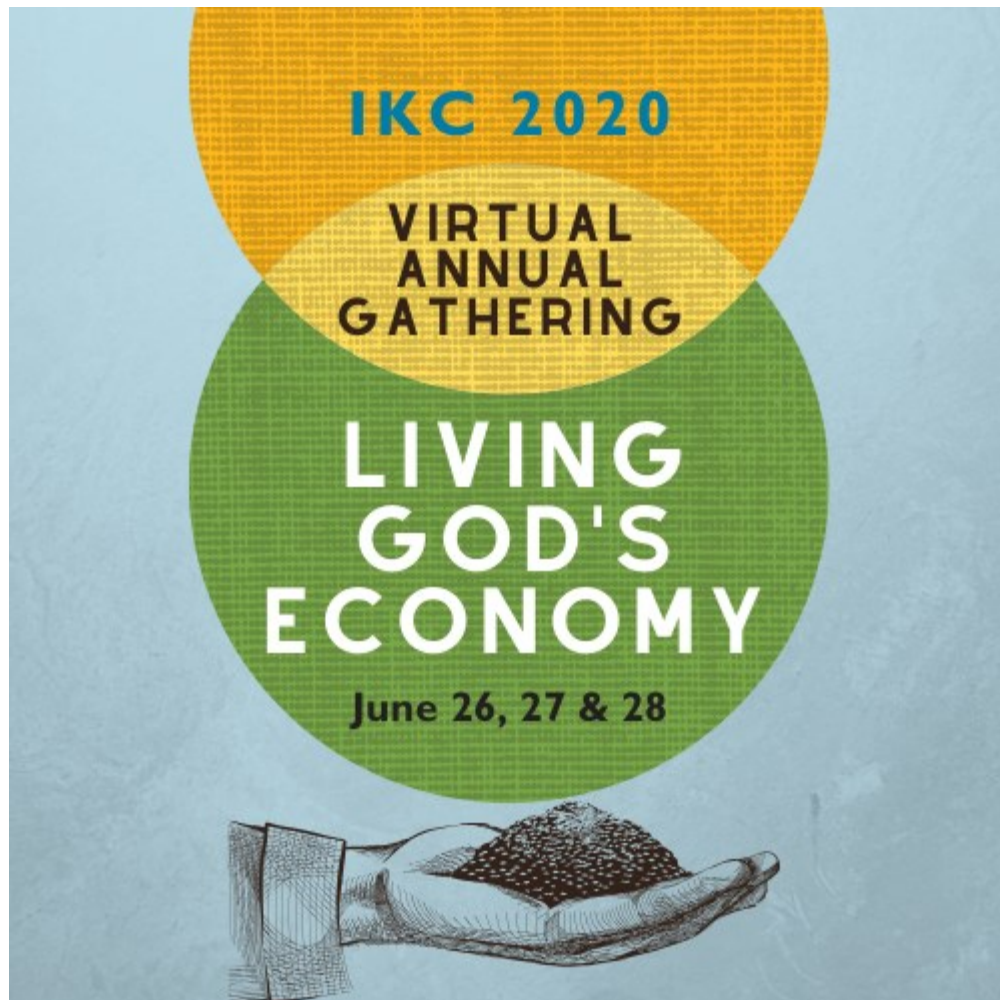


2019 FINANCIAL REPORT



**Indiana-Kentucky Conference
Of the
United Church of Christ**

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MOTIONS REGARDING THE 2021-2022 BUDGET

The Board of Directors of the Indiana-Kentucky Conference of the United Church of Christ recommends the following motions:

MOTION A

The Indiana-Kentucky Conference adopts a **2021** OCWM Basic Support budget goal of \$400,000 and a **2022** OCWM Basic Support budget goal of \$475,000.

MOTION B

The Indiana-Kentucky Conference directs that in the year **2021**, 15% of OCWM Basic Support plus 15% of OCWM gifts received from individual donors, which is a total of \$61,500, be forwarded to the national setting of the United Church of Christ, and that 85% of OCWM Basic Support plus 85% of OCWM gifts received from individual donors be retained for budget support by the Conference.

Further, the Indiana-Kentucky Conference directs that in the year **2022**, 20% of OCWM Basic Support plus 20% of OCWM gifts received from individual donors, which is a total of \$100,000, be forwarded to the national setting of the United Church of Christ, and that 80% of OCWM Basic Support plus 80% of OCWM gifts received from individual donors be retained for budget support by the Conference.

MOTION C

The Indiana-Kentucky Conference adopts a **2021** budget with total income of \$491,500 and total expenses of \$542,750. Further, the Indiana-Kentucky Conference adopts a **2022** budget with total income of \$581,500 and total expenses of \$663,815

IKC 2021 and 2022 BUDGET PROPOSAL

This is the first year of proposing budgets for a two-year occurrence. This requirement was part of the new IKC Constitution and Bylaws that created an Annual Gathering business meeting every two years. However, if the need arises, a business meeting may occur at an Annual Gathering in an off year. Based on this requirement a proposed 2021 and a 2022 budget is being presented.

The proposed 2021 budget has had several modifications applied from the original proposal intent due to the COVID-19 pandemic. Additionally, the effect of the pandemic will be a factor in the overall 2020 operations financial outcome.

The total effect of this pandemic and the associated unknowns severely effect creation of an accurate budget. It is with full realization that the budget issues being addressed by the Conference are in many ways the same issues that each of the individual churches of the Conference are facing. It is with optimism that the pandemic effect regarding the committments from the local church will be minimal and likewise to the Conference that is so dependent on the local church engagement.

The decision was made to propose the 2021 budget using the current 2017–2020 fixed budget, with adjustments, to address the realities of the pandemic effect. These adjustments include a reduction of OCWM income and giving to the National Ministry Support from 20% to 15% for 2021 only. Additionally, the planned addition in 2021 of the equivalent of one 1/2 time position was eliminated. This position was in the process of being defined and may help aid in the development of a financial ministry program to provide increased giving to the Conference.

The 2022 budget is based on the premise that the COVID-19 pandemic will not be a factor. However, to say that with certainty has confidence restrictions and establishing a budget 18 months in the future is a stretch due to other unknowns that may occur. With the above in mind, the 2022 budget is built on the assumption that increased giving will occur and will provide the opportunity for an additional 1/2 time equivalent of a staff position. This position is in the process of being defined and may help develop a financial ministry program that will aid in increasing income. Based on these assumptions, it gives reason to restore National Ministry Support to the previous 20% of OCWM and Individual Donor giving.

The following budget presentation contains points that are footnotes to the budget line items that define the adjustments made to the 2021 proposed budget, relative to the 2017 - 2020 fixed budget. In a similar fashion, footnotes are provided for the budget line items in the proposed 2022 budget. With the variables and unknowns that may occur during this time, it is evident that persistent monitoring of the finances will be mandatory as future factors may require further adjustments to the 2021 and the 2022 budget.

Indiana-Kentucky Conference of the United Church of Christ
Proposed Budget 2021-2022

	2019 Approved	2020 Approved	2021 Proposed	2022 Proposed
Income				
OCWM Basic Support	\$453,000	\$453,000	\$400,000 ¹	\$475,000 ²
Individual Donors	\$10,000	\$10,000	\$10,000	\$25,000 ³
Annual Gathering Registrations	\$30,000	\$30,000	\$30,000	\$30,000
Event Registrations	\$100,000	\$30,000	\$30,000	\$30,000
Total Operating Income	\$593,000	\$523,000	\$470,000	\$560,000
Expenses				
National Ministry Support	\$90,600	\$92,600	\$61,500 ⁴	\$100,000 ⁵
Program events	\$100,000	\$30,000	\$30,000	\$30,000
Subtotal	\$190,600	\$122,600	\$91,500	\$130,000
Board of Directors				
General Synod	\$12,000	\$12,000	\$12,000	\$12,000
Annual Meeting	\$30,000	\$30,000	\$30,000	\$30,000
Auditor	\$9,500	\$9,500	\$9,500	\$10,000
Memberships & Dues	\$9,000	\$9,000	\$9,000	\$8,000
Legal	\$3,500	\$3,500	\$3,500	\$8,500
Board meetings	\$5,000	\$5,000	\$5,000	\$3,000
Sabbatical Funding			\$0	\$7,000 ⁶
Transitional and Misc.	\$50,446	\$2,500	\$2,500	\$2,500
Subtotal Board of Directors	\$119,446	\$71,500	\$71,500	\$81,000
Staff Expenses				
Professional Staff			\$200,000 ⁷	\$259,065 ⁸
Support Staff			\$90,000	\$100,000
Staff Travel			\$22,000 ⁹	\$25,000 ¹⁰
Professional expenses			\$0	\$1,000
Subtotal Staff Expenses	\$234,204	\$280,150	\$312,000	\$385,065
Office Expenses				
Office supplies	\$2,500	\$2,500	\$2,500	\$2,500
Payroll services	\$2,250	\$2,250	\$2,250	\$2,250
Office Equipment				
Leases	\$4,000	\$4,000	\$4,000	\$4,000
Purchases	\$2,000	\$2,000	\$2,000	\$2,000
Maintenance	\$2,000	\$2,000	\$2,000	\$2,000

¹ OCWM giving of \$453,000 was projected to decrease by \$53,000 for a value of \$400,000.

² OCWM giving is being projected to increase to a value of \$475,000.

³ Individual Donor giving is being projected to increase to a value of \$25,000.

⁴ National Ministry Support, which is of 20% of OCWM Basic Support and Individual Donor giving, was reduced to 15%.

⁵ National Ministry Support is being restored to 20% of OCWM and Individual Donor Giving.

⁶ Sabbaticals for the professional staff was not funded in 2021. Funding for 2022 is being established to accrue funds for this future expense.

⁷ Planned additional staff position eliminated.

⁸ Establishment of an additional ½ time professional staff position noted in the 2022 budget narrative above.

⁹ Staff travel and related expenses reduced from \$25,000 to \$22,000.

¹⁰ Staff travel and related expenses increased to the 2020 budget value of \$25,000

Indiana-Kentucky Conference of the United Church of Christ
Proposed Budget 2021-2022

Expenses (contd)	2019 Approved	2020 Approved	2021 Proposed	2022 Proposed
Postage	\$3,000	\$3,000	\$3,000	\$3,000
Office Telephone	\$2,500	\$2,500	\$2,500	\$2,500
Rent	\$23,000	\$23,000	\$23,000	\$23,000
Subtotal Office Expenses	\$41,250	\$41,250	\$41,250	\$41,250
Property Insurance & Workers Comp Insurance				
Indy Office	\$4,500	\$4,500	\$4,500	\$4,500
Workers Comp (All Employees)	\$3,500	\$3,500	\$1,000	\$1,000
Subtotal Insurances	\$8,000	\$8,000	\$5,500	\$5,500
Total Operating Expenses	\$593,500	\$523,500	\$521,750	\$642,815
Net Operating Income (Expense)	(\$500)	(\$500)	(\$51,750)	(\$82,815)
Income from 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	\$0	\$0	\$0	\$0
Clergy & Lay Education Fund	\$7,000	\$7,000	\$7,000	\$7,000
Widening the Welcom	As needed	As needed	As needed	As needed
Pastoral Emergency	As needed	As needed	As needed	As needed
Lovina Wesson Memorial	As needed	As needed	As needed	As needed
Sri Lanka Mission Partnership Fund	As needed	As needed	As needed	As needed
Disaster Prep & Response	As needed	As needed	As needed	As needed
Authorized Min Train Fund	\$3,000	\$3,000	\$3,000	\$3,000
Subtotal Income from Endowments and Reserve Funds	\$21,500	\$21,500	\$21,500	\$21,500
Ministry Support Expense from Endowment and Reserve Funds				
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	\$0	\$0	\$0	\$0
Clergy & Lay Education Fund	\$7,000	\$7,000	\$7,000	\$7,000
Widening the Welcom	As needed	As needed	As needed	As needed
Pastoral Emergency	As needed	As needed	As needed	As needed
Lovina Wesson memorial	As needed	As needed	As needed	As needed
Sri Lanka Mission Partnership Fund	As needed	As needed	As needed	As needed
Disaster Prep & Response	As needed	As needed	As needed	As needed
Authorized Min Train Fund	\$3,000	\$3,000	\$3,000	\$3,000
Subtotal Expenses from Endowment and Reserve Funds	\$21,000	\$21,000	\$21,000	\$21,000
TOTAL INCOME	\$614,500	\$544,500	\$491,500	\$581,500
TOTAL EXPENSES	\$614,500	\$544,500	\$542,750	\$663,815
NET INCOME (DEFICIT)	\$0	\$0	(\$51,250)	(\$82,315)

**Statement of Activity
2019**

	2017 Actual	2018 Actual	2019 Actual	2019 Budget Annual
Income				
OCWM Basic Support	\$527,361	\$477,659	\$472,874	\$453,000
Individual Donors	\$10,231	\$16,692	\$20,540	\$10,000
Annual Gathering Registrations	\$20,043	\$26,642	\$24,860	\$30,000
Event Registrations	\$30,003	\$14,462	\$17,637	\$30,000
Endowment and Reserve Funds				
OCWM Fund	\$500	\$500	\$500	\$500
Campus Ministries	\$3,500	\$3,500	\$3,500	\$5,000
Outdoor Ministries	\$0	\$0	\$0	\$2,000
Youth Ministries	\$0	\$1,076	\$1,791	\$2,000
Young Adult Ministries	\$0	\$0	\$0	\$2,000
DRB Church Dev Fund	\$8,228	\$23,842	\$21,099	\$0
Clergy & Lay Education Fund	\$614	\$1,040	\$805	\$7,000
Pastoral Emergency	\$2,500	\$628	\$0	As needed
Lovina Wesson Memorial	\$0	\$0	\$0	As needed
Bishop Ambalavanar Girls Home	\$0	\$0	\$0	\$0
Sri Lanka Mission Partnership Fund	\$1,090	\$3,900	\$3,900	As needed
Widening the Welcome	\$0	\$0	\$4,280	As needed
Disaster Prep & Response	\$92	\$298	\$3,411	As needed
Authorized Min Train Fund	\$611	\$260	\$465	\$3,000
TOTAL INCOME	<u>\$604,772</u>	<u>\$570,499</u>	<u>\$575,663</u>	<u>\$544,500</u>
Expenses				
National Ministry Support	\$101,716	\$93,221	\$92,630	\$90,600
Association	\$34	\$19	\$0	\$0
Program events	\$31,429	\$18,212	\$18,335	\$30,000
Subtotal	<u>\$133,178</u>	<u>\$111,452</u>	<u>\$110,964</u>	<u>\$120,600</u>
Board of Directors				
General Synod	\$22,342	\$12,000	\$24,315	\$12,000
Annual Meeting	\$12,840	\$25,848	\$20,746	\$30,000
Auditor	\$9,500	\$9,500	\$10,000	\$9,500
Memberships & Dues	\$7,676	\$6,630	\$7,432	\$9,000
Legal	\$5,158	\$4,541	\$9,394	\$3,500
Board meetings	\$3,481	\$4,391	\$2,853	\$5,000
Transitional and Misc.	\$16,487	\$30,359	\$2,828	\$50,446
Subtotal Board of Directors	<u>\$77,484</u>	<u>\$93,270</u>	<u>\$77,568</u>	<u>\$119,446</u>
Staff Expenses				
Professional Staff				
Salary CM & ACM's	\$141,554	\$117,993	\$127,105	\$0
Retirement	\$13,418	\$13,849	\$17,795	\$0
Medical	\$5,361	\$21,800	\$50,323	\$0
Subtotal	<u>\$160,333</u>	<u>\$153,641</u>	<u>\$195,222</u>	<u>\$0</u>
Support Staff - Indianapolis Office Staff				
Salary	\$50,908	\$53,383	\$63,558	\$0
Retirement	\$7,001	\$7,358	\$8,898	\$0
Medical	\$10,870	\$7,263	\$8,233	\$0
FICA	\$3,826	\$4,021	\$4,145	\$0
Subtotal	<u>\$72,605</u>	<u>\$72,024</u>	<u>\$84,835</u>	<u>\$0</u>
Staff Travel				
Mileage, Room, Board & Other	\$22,371	\$29,114	\$24,405	\$0
Subtotal	<u>\$22,371</u>	<u>\$29,114</u>	<u>\$24,405</u>	<u>\$0</u>
Professional expenses	\$2,030	\$1,056	\$1,413	\$0
Subtotal Staff Expenses	<u>\$257,339</u>	<u>\$255,836</u>	<u>\$305,875</u>	<u>\$234,204</u>

**Statement of Activity
2019**

	2017 Actual	2018 Actual	2019 Actual	2019 Budget Annual
Expenses (contd)				
Office Expenses				
Office supplies	\$561	\$508	\$1,848	\$2,500
Payroll services	\$1,204	\$1,112	\$976	\$2,250
Office Equipment				
Leases	\$6,677	\$5,001	\$2,762	\$4,000
Purchases	\$664	\$747	\$4,817	\$2,000
Maintenance	\$3,005	\$3,208	\$499	\$2,000
Postage	\$1,156	\$891	\$1,622	\$3,000
Office Telephone	\$3,911	\$2,970	\$2,497	\$2,500
Rent	\$22,658	\$21,290	\$20,733	\$23,000
Subtotal Office Expenses	<u>\$39,836</u>	<u>\$35,726</u>	<u>\$35,755</u>	<u>\$41,250</u>
Property Insurance & Workers Comp Insurance				
Property & Liability	\$4,078	\$4,517	\$4,717	\$4,500
Workers Comp (All Employees)	\$1,280	\$1,280	\$797	\$3,500
Subtotal Insurances	<u>\$5,357</u>	<u>\$5,797</u>	<u>\$5,514</u>	<u>\$8,000</u>
Ministry Support				
Campus Ministries	\$3,500	\$3,500	\$3,500	\$5,000
Outdoor Ministries	\$0	\$0	\$0	\$2,000
Youth Ministries	\$0	\$1,076	\$1,791	\$2,000
Young Adult Ministries	\$0	\$0	\$0	\$2,000
DRB Church Dev Fund	\$8,228	\$23,842	\$21,099	\$0
Clergy & Lay Education Fund	\$614	\$1,040	\$805	\$7,000
Pastoral Emergency	\$2,500	\$628	\$0	As needed
Lovina Wesson memorial	\$0	\$0	\$0	As needed
Bishop Ambalavanar Girls Home	\$0	\$0	\$0	\$0
Sri Lanka Mission Partnership Fund	\$1,090	\$3,900	\$3,900	As needed
Widening the Welcome	\$0	\$0	\$4,280	
Disaster Prep & Response	\$92	\$298	\$3,411	As needed
Authorized Min Train Fund	\$611	\$260	\$465	\$3,000
Subtotal Endowment and Reserve Funds	<u>\$16,635</u>	<u>\$34,544</u>	<u>\$39,251</u>	<u>\$21,000</u>
TOTAL EXPENSES	\$529,829	\$536,624	\$574,927	\$544,500
NET INCOME (DEFICIT)	\$74,943	\$33,875	\$735	\$0

Designated Reserve Funds
Balances as of December 31, 2019
As Classified by Generally Accepted Accounting Principles (GAAP)

	2017	2018	2019
Unrestricted Funds			
OCWM Fund	\$ 2,579.29	\$ 1,264.66	\$ 4,101.75
Campus Ministries Fund	\$ 137,607.72	\$ 125,196.31	\$ 145,952.68
Outdoor Ministries Reserve Fund	\$ 28,488.07	\$ 26,643.20	\$ 31,806.51
Youth Ministries Fund	\$ 62,300.85	\$ 57,190.01	\$ 66,480.00
Young Adult Ministries Fund	\$ 58,382.60	\$ 54,601.77	\$ 65,182.95
DRB Development Fund	\$ 617,763.54	\$ 553,915.14	\$ 671,339.79
Total Unrestricted Funds	\$ 907,122.07	\$ 818,811.09	\$ 984,863.68
Temporarily Restricted by Donor			
Clergy & Lay Education Fund	\$ 79,722.64	\$ 73,519.84	\$ 87,477.26
Pastoral Emergency Fund	\$ 207.74	\$ (433.21)	\$ (290.93)
Lovina Wesson/Pat Riley Memorial Fund	\$ 4,573.60	\$ 4,277.42	\$ 5,106.79
Authorized Ministry Training Fund	\$ 8,121.99	\$ 7,336.01	\$ 8,292.22
Widening the Welcome	\$ 39,105.00	\$ 38,950.00	\$ 34,670.16
Total Temporarily Restricted Funds	\$ 131,730.97	\$ 123,650.06	\$ 135,255.50
Permanently Restricted by Donor			
OCWM Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Total Permanently Restricted Funds	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Other			
Sri Lanka Mission Partnership Fund	\$ 21,262.07	\$ 23,245.07	\$ 15,660.18
Disaster Preparedness & Response Min F	\$ 26,488.33	\$ 27,455.48	\$ 26,052.74
Total Other Funds	\$ 47,750.40	\$ 50,700.55	\$ 41,712.92
Grand Total of all Funds	\$ 1,096,603.44	\$ 1,003,161.70	\$ 1,171,832.10

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

UNRESTRICTED FUNDSⁱ

I. Our Church's Wider Mission Fundⁱⁱ

This fund is made up of two parts - an unrestricted portionⁱⁱⁱ and a restricted portion of \$10,000.00^{iv}. 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^v.

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^{vi}. 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. 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.

VIII. 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.

IX. 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^{vii}

X. 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.

XI. 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.

XII. 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.

XIII. 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.

XIV. 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^{viii}

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^{ix}

XV. 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.

XVI. 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.

Notes to the Designated Reserve Funds

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

ⁱⁱ 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.

ⁱⁱⁱ Included the 1990 gift of \$70,666.66 from the Heisterberg estate.

^{iv} A restricted gift from Louis Burke, lay member of St. John's UCC (Southport), Indianapolis.

^v By Board of Directors vote 1993.

^{vi} 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.

^{vii} 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.

^{viii} 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.

^{ix} These funds are really accounts payable because they are pass through to other specific organizations.