

**Irvine United Congregational Church
Administration Board Meeting Minutes
January 12, 2021 via Zoom**

Attendance:

Administration Board:

Church Officers: Daniel Blackburn, Tricia Aynes, Mark Allen, and Laura Palen

Congregational Representatives: Penny Portillo, Dorothy Duncan, and Jonard Ingal

Committee/Task Force Chairs: Keith Boyum, Renae Boyum, and Anne Rosse

Staff: Administrative Pastor Steve Swope and Pastor Sarah Halverson-Cano

Visitors: David Carruthers

1. Call to Order: The meeting was called to order at 7:06 p.m. by Chair Daniel Blackburn.
2. Opening Prayer: The opening prayer was led by Pastor Sarah Halverson-Cano.
3. Approval of December 21 Meeting Minutes: Passed as described and submitted to Board Chairperson.
4. Treasurer's Report: Mark Allen submitted verbal and written reports for the eleven months ending December 31, 2020. Key points included:

These materials are based on actuals through Nov. 2020 and estimates for Dec. and not on final Dec. 2020 results. Any final adjustments appear to be either immaterial to the total results or will increase net income, so these are likely conservative.

Please also refer to the following documents also as they provide background for the budget materials. Both of these packages have had links sent to the congregation to obtain these documents. If you have any questions about any of these materials please email me at madallen@msn.com or call 612-868-1939.

1. Presentation Materials for Dec. 6th Financial Forum and Dec. 13th Special Meeting.
2. Published FAQs

Notes: As always, Total IUCC refers to the General Fund (Church operations), ECC (Early Childhood Center), CIF (Construction fund) and the PEF Endowment. Capex is capital expenditures. Net income adj. for depreciation means we do not take into account depreciation expense in calculating net income which is a non-cash expense, so this figure is really net income on a cash basis -- just think of it as what your checkbook would look like as everything is on a cash basis. Net operating cash flow (NOCF) is cash generated by the general fund and the ECC before capital expenditures and net debt (payments) or borrowing. It reflects what the entities generate in cash before non-operating cash items like capex and borrowing.

Summary of Total IUCC Fiscal 2020 Results

Obviously, the Total IUCC net loss for 2020 was much poorer than expected due to COVID-19. The Total IUCC loss will likely be a (\$202) thous. loss vs. a budgeted net income of \$7 thous., producing a (\$209) thous. deficit vs. budget and a (\$127) thous. decrease vs. the LY loss of (\$75) thous. The results in 2019 were somewhat depressed by extra payroll costs due to our former pastor leaving and extra building and grounds costs in the general fund and slightly poorer ECC results (see tables 1 and 2) than the prior year and budget.

Table 1

Total IUCC 2020 -	IUCC	Early	CapitalPlumer	2020
--------------------------	-------------	--------------	----------------------	-------------

YTD: (\$ thousands)	General	Childhd	Improve	Educ.	Elim.	IUCC
Summary Income Stmt by Fund	Fund	Center	Fund	Endowt.	Entries	Total
Revenue and Support:	\$624.8	\$336.1	\$29.4	\$0.2	(\$52.8)	\$937.8
Expenses:						
Personnel costs	336.6	392.9	0.0	0.0	(4.8)	724.8
Other	333.6	107.8	21.6	0.0	(48.0)	415.0
Total Expenses	670.3	500.7	21.6	0.0	(52.8)	1,139.8
Net Income (Loss)	(\$45.4)	(\$164.5)	\$7.7	\$0.2	\$0.0	(\$202.0)
	Ex, CIF	(209.8)				-

Table 2

Total IUCC YTD Dec 2020 vs. Budget/LY (\$ thousands)	2020				YTD LY	YTD Var to 2019	YTD Var to LY	YTD %
	Act	Budget	Var	% Var to Budget				
Summary Income Stmt								
Revenue and Support:	\$937.8	\$1,299.9	(\$362.1)	-28%	\$1,237.5	(\$299.8)	-24%	
Expenses:								
Personnel costs	724.8	830.2	105.4	13%	870.2	145.4	17%	
Other	415.0	463.0	48.0	10%	442.5	27.5	6%	
Total Expenses	1,139.8	1,293.2	153.4	12%	1,312.7	172.9	13%	
Net Income (Loss)	(\$202.0)	\$6.7	(\$208.7)	NA	(\$75.2)	(\$126.8)	NA	
Memo: YTD Adjs. Net Inc. for depreciation	(\$29.7)	\$156.9	(\$186.6)	NA	\$65.8	(\$95.5)	NA	

While the 2020 ECC results were impacted negatively by the COVID-19 virus, the general fund performed better than budgeted without live services as many costs were running below budget and stewardship held up relatively well. While many churches across the U.S. have seen losses of (20%-30%) in stewardship, we were about on budget despite the financial problems caused by the COVID-19 virus.

Our gross use of cash + investments in 2020 was (\$241) thous. (see table 3 below) and net of the PPP amount it was (\$145) thous. as cash went from \$395 thous. at year-end 2019 to \$250 thous. at year-end 2020.

Table 3

Total Cash + Inv Rollforward for 2020	
Cash + Inv - 12/31/19	\$394,666
PPP Funds	96,000
Gross Use of C&I	(240,966)
Cash + Inv - 12/31/20	\$249,700
Net use of C&I	(144,966)

Total NOCF was (\$95) thous. vs. a budget of \$17 thous. or deficit of (\$111) thous. and vs. a LY figure of \$169.4 thous. or a decrease of (\$264) thous. vs. LY. Total decrease in cash + investments was (\$145) thous. vs. a budget of (\$85) thous. which is somewhat masked by the PPP forgiveable loan of \$96 thous. booked in Dec. 2020 when the application was submitted. Absent the PPP amount the cash + investments loss would have been (\$241) thous.

(See table 4 below)

The fiscal 2020 budget had a higher capex budgeted of \$91 thous. which accounts for some of the cash loss that was budgeted that was generally poorer than previous years. Fiscal 2020 was also a very conservative budget and without the virus we should have easily exceeded it and the cash figures should have easily exceeded it as well; March 2020 was on track to be on of the best months the ECC has had before we were shut down. Fiscal 2019 cash figures are abnormally low and not easily comparable to 2020 as cash in the CIF, the general fund and the ECC was used to paydown the credit facility for the construction loan down to \$640 thous. at the time.

Early Childhood Center (ECC) 2020

The COVID-19 virus has obviously negatively impacted our ECC results vs. LY and budget as the ECC was closed in mid-March 2020 as we lost almost all our students and did not re-open till the first week in July. ECC results have been lower than we expected after the July re-open due to:

- (1) a lower number of students than we have expected when we surveyed parents in June 2020; higher payroll as we have had to staff up to meet the 6 ft. distancing requirements;
- (2) lower students to teacher ratios;
- (3) cohort regulations keeping students together as a cohort and interacting with other cohorts as little as possible; and
- (4) a space cap of 44 students in total.

However, we are starting to see results improve – particularly in November as the number of students is starting to increase from 24 in Sept. to 26 in Oct. to 31 in Nov. and 32 in Dec. And we have reduced our ECC payroll to better match the revenue. **The ECC Oct. loss of (\$21.1) thous. has been reduced to (\$8.8) thous. in November or (\$6.8) thous for net income adjs for depreciation (cash loss). Dec. preliminary loss is (\$1.9) thous. However, due to one-time COVID-19 grants and extra payroll in Dec. the net loss on a normalized basis was about (\$9) thous. and the net income adj. for depreciation (cash loss) was (\$7) thous.** (See tables 11 and 12.) We also have more students that are on state-aid and the difficulty with state-aid is that the state typically can be 2+ mos. behind in making payment. We are on a modified cash basis for our financials and we book ECC revenue when the payments are received not on an accrual basis when earned, so we are behind in collections and there is not much we can do to accelerate the payments.

In total, the ECC is expected to have a loss of (\$164.5) thous. for fiscal 2020 vs. a budgeted net income of \$113 thous, producing a negative variance of (\$277.3) thous. (see table 8) for fiscal 2020 vs. budget. The ECC is forecast to have a smaller loss of (\$91) thous. in 2021 as we are trying to keep the net income losses on average at (\$7.5) thous. or below. To be more conservative, I am assuming we will be under the 44 student cap for most of fiscal 2021 until the 4th qtr. We anticipate that our numbers will start to approach 44 students in the 4th quarter (or hopefully sooner). While this is not quite breakeven, we expect that by fiscal 2022 (or sooner) we will be back to our normal pre- pandemic capacity of 63+ kids and profitable again, but I would rather assume the worst and hope for the best in terms of being able to accommodate our 63+ kids.

Early Childhood Center (ECC) 2020

The ECC's revenue was down almost (60%) or (\$445) thous vs. budget and (53%) or (\$363) thous. vs LY due to the COVID-19 shutdown and the distancing restrictions that kept our number of students down to 44 students max. Currently, we are at 34 students as of December. See FAQs and the materials for the Special Meeting for more information for more detail on 2020 performance.

General Fund (Church) 2020

Contributions in 2020 were approx. flat at \$398 thous. vs. \$392.1 thous. LY a 1.0% increase. And non-pledge contributions dropped from \$55 thous. to \$47 thous. Total contributions were down to \$445 thous from \$447 thous., a (0.4%) decrease and (\$1.6) thous. drop vs. 2019. Other revenue increased by \$95 thous., driven by lower rent, rental income and \$96 thous. from the PPP loan/grant. Payroll expenses dropped from \$382.1 thous. to \$337.0 thous., \$45.4 thous. improvement driven mostly by excess pastoral costs in 2019 related to the

disability claims of the former Sr. Pastor and expenses related to the former pastor leaving. Ministries dropped from \$36.5 thous. to \$12.0 thous, a \$25 thous. improvement or 67% driven by fewer live activities due to the COVID-19 virus

General Fund

The general fund has done better than anticipated due to stewardship being fairly stable and lower expenses due to not having live services and lower payroll as we have not filled back positions.

We are anticipating total contributions of \$445 thous. vs. \$435 thous., slightly better to LY for 2020 vs. 2019 so about 2% improvement, which is actually quite good as overall many churches are down 20 – 30% nationwide in their stewardship. Pledge was up 5% at \$398 thous. vs. \$380 budget or \$17 thous. Non-pledge however was down to \$47 thous. from \$57 thous or (14%) vs both LY and budget.

The one negative we saw in terms of 2020 stewardship is that although we ended up about at budget that prior to Nov. and Dec. we were above budget but results were fairly poor in the fourth quarter so we ended up at budget. Below in table 9 it shows the 12 month moving average. This just means that each monthly point is an average of the last 12 months. The advantage to this format is that it takes out the seasonality as each point contains 12 months. When the line goes up it means that the month added is better than the month dropped as you move ahead each month, or worse if it goes down. The last three points on the right are the 4th quarter of 2020. So although we have been getting better the last 18 mos. we certainly went backwards recently.

Cash + Investment Balances (“C&I”)

C+ I decreased from \$395 thous. at the end of 2019 to about \$250 thous. , a (\$145) thous. drop. With the new LOC/SBA-EIDL credit facility we need to be closer to \$325 thous. at year-end 2021 (see table 19). Compared to approx. a period of 10 prior years, \$250 thous. is still a low point and even \$325 thous. is only at approx. the same level of the low point of \$301 thous. in 2011. (See table 20) However to make these numbers truly comparable we would need to adjust the 2011 number as the P&L was much smaller in 2011 so the ratio of C&I to the P&L was much higher in 2011 than it will be for 2021. So even \$325 thous. is a low point if the figure is normalized for the size of the P&L. Also please remember that not all of our C&I is spendable cash due to amounts that are permanently restricted (e.g., endowments) or that are restricted due to donor restrictions or that are necessary for paying day-to-day operating expenditures (i.e., working capital cash)

Total IUCC 2020

Total IUCC revenue for fiscal 2020 is est. at \$938 thous. which is down (24%) or (\$300) thous. from 2019 figure of \$1.238mm, almost all a result of the COVID-19 virus. Fiscal 2020 budgeted revenue was \$1.3mm, producing a shortfall of (\$367) thous. vs. budget, or a (27%) drop. This decrease includes the \$96 thous. of PPP funds that were treated as a grant and taken into income in Dec. 2020. So absent the PPP funds the loss would be greater. (See table 13)

Total IUCC net income dropped from (\$75) thousand to a loss of (\$202) thous., a decrease of (\$127) thous. over the prior year. Budgeted net income was \$6.7 thous. or a (\$209) thous. variance to budget. Net income adjs. for depreciation was (\$30) thous. dropping from \$66 thous. in 2019, a decrease of (\$96) thous. Budgeted net income adj for dep. was \$157 thous., a drop of (\$187) thous.

Total expenses were \$1.140mm, \$153 thous. better than budget and \$173 thous. better than LY. Personnel costs in total were better as ECC was shut down from mid-March 2020 till early July and also due to lower payroll costs for church staff in the general fund in 2020. Fiscal 2019 figures were also higher due to disability of Sr. Pastor and related costs. Payroll decreased from \$870 thous. to \$725 thous. and the rate increased from 70.3% to 78.6%, an (8.3)pp increase, largely a result of layoffs in the ECC from mid-March 2020 to early July 2020 and lower headcount in the general fund staff.

Cash + Investment Balances (“C&I”)

C+ I decreased from \$395 thous. at the end of 2019 to about \$250 thous. , a (\$145) thous. drop. With the new LOC/SBA-EIDL credit facility we need to be closer to \$325 thous. at year-end 2021 (see table 19). Compared to approx. a period of 10 prior years, \$250 thous. is still a low point and even \$325 thous. is only at approx. the same level of the low point of \$301 thous. in 2011. (See table 20) However to make these numbers truly comparable we would need to adjust the 2011 number as the P&L was much smaller in 2011 so the ratio of C&I to the P&L was much higher in 2011 than it will be for 2021. So even \$325 thous. is a low point if the figure is normalized for the size of the P&L. Also please remember that not all of our C&I is spendable cash due to amounts that are permanently restricted (e.g., endowments) or that are restricted due to donor restrictions or that are necessary for paying day-to-day operating expenditures (i.e., working capital cash)

Total IUCC 2020

Total IUCC revenue for fiscal 2020 is est. at \$938 thous. which is down (24%) or (\$300) thous. from 2019 figure of \$1.238mm, almost all a result of the COVID-19 virus. Fiscal 2020 budgeted revenue was \$1.3mm, producing a shortfall of (\$367) thous. vs. budget, or a (27%) drop. This decrease includes the \$96 thous. of PPP funds that were treated as a grant and taken into income in Dec. 2020. So absent the PPP funds the loss would be greater. (See table 13)

Total IUCC net income dropped from (\$75) thousand to a loss of (\$202) thous., a decrease of (\$127) thous. over the prior year. Budgeted net income was \$6.7 thous. or a (\$209) thous. variance to budget. Net income adjs. for depreciation was (\$30) thous. dropping from \$66 thous. in 2019, a decrease of (\$96) thous. Budgeted net income adj for dep. was \$157 thous., a drop of (\$187) thous.

Total expenses were \$1.140mm, \$153 thous. better than budget and \$173 thous. better than LY. Personnel costs in total were better as ECC was shut down from mid-March 2020 till early July and also due to lower payroll costs for church staff in the general fund in 2020. Fiscal 2019 figures were also higher due to disability of Sr. Pastor and related costs. Payroll decreased from \$870 thous. to \$725 thous. and the rate increased from 70.3% to 78.6%, an (8.3)pp increase, largely a result of layoffs in the ECC from mid-March 2020 to early July 2020 and lower headcount in the general fund staff.

Depreciation costs were also higher in 2020 due to new admin. bldg. being finished and all depreciation was started on new assets in 2020. Ministries costs at \$12 thous. were \$16 thous. below budget due to video services and no live services. Committees expenses at \$62 thous., mainly buildings and grounds were on budget and were \$20 thous. better than LY as LY had significant one-time maintenance expenses. Other expenses were such as utilities and other related expenses were lower than LY and budget as services we are all video since March 2020.

5. Bylaws, Policies, and Procedures: Anne Rosse submitted a written report. No action items are requested at this time. Key points included:

- Adding the following to the agenda for the winter congregational meeting:
Proposed Amendments to the IUCC Bylaws

Per Article 16 of the IUCC Bylaws, any amendment to the bylaws requires congregational approval. The IUCC Bylaws may be found in the “Bylaws, Policies & Procedures” tab at <http://iucc.org/portal/documents/>.

We ask for your consideration and approval of these proposed amendments, which have been endorsed by the Administration Board. Detailed information about each proposed amendment is provided. Please note that new or revised language is designated by red text.

1. Creation of the Ministry of Diversity and Inclusion
2. Revised Vision Statement

3. For the Ministries Board Youth Representative, a Change in Voting Status
4. New Indemnification Language

6. Fund Development/Stewardship Report: Written and verbal reports were submitted by Renae Boyum. Key points include:

- On January 11, 2021, have pledges from 125 households totaling almost \$425,000. NOTE: **Have** achieved the goal of increasing the \$ amount, but will continue to explore ways to increase the number of pledges.
- There are still about 15 households who pledged in 2020 who have not yet pledged for 2021. Pastor Steve, Pastor Sarah and Renae met to figure out the best course of action on how to proceed with these households.
- In addition, the FDC has reached out to members/friends of IUCC who pledged in the past but not in 2020 AND members/friends who have not pledged.
- 20 new pledges this year; there are another 6 who pledged in 2019, but not in 2020, and pledged in 2021.
- In 2021, the FDC Committee will look at better ways to manage fundraising data, ways to share ideas about planned giving, and ways to educate members/friends of IUCC about the ongoing ways we can be good stewards.

7. Child Care Committee Report: Written and verbal reports were submitted by Keith Boyum. Key points include:

- Waiver of Tuition dues for child not attending due to health issues (agreed to by consensus of the board members).
- Budget: a 5% increase is proposed for September 2021. The Child Care committee recommends a tuition increase as proposed.
- Enrollments: Expected to pick up in January. Advertising continues.
- Other: Holiday events and small monetary gifts for staff from members of the CCC.

8. Administrative Pastor's Report: Written and verbal reports were submitted by Pastor Steve Swope. Key points included:

- Completed Projects: Carpets and rugs in the preschool were cleaned late last month. Pastor Steve also ran software updates on the preschool computers.
- Ongoing Projects: The City of Irvine still has not finalized the approval of a permit for the patio-walkway cover. The contractor will be trying to meet with them this month.
- Future Projects: The carpet cleaning and lightbulb replacement in the sanctuary is on hold until there are firm plans to begin in-person events; the same applies to piano tuning. Now that we have entered 2021, the computer at administrative pastor's desk needs to be replaced; this is necessary to run the latest updates for Church Windows, which is now written only for 64-bit machines. February is a good time to do this.
- SCWD Project: Pastor Steve attending the weekly progress meetings. Due to a delay in parts shipment, the project is currently 2-3 weeks behind schedule.
- Organic Waste: Under California law, IUCC is required to separate organic/green waste (landscaping refuse, food waste) from trash and recycle it. The City of Irvine will begin penalizing non-compliant businesses in 2022.
- After conferring with our landscaper and the city's business-recycling office, Pastor Steve recommends the following are important steps for the coming year:
 - By Sept. 1, 2021 add a 2-cubic-yard green-waste dumpster to our Waste
 - Management contract (\$198/month additional) - this will require an increase in our

budget for trash collection, which can be spread out over the year.

- Develop plans for composting as much food waste and food-contaminated paper as possible, to be initiated no later than the summer of 2021.
- Obtain from the City of Irvine (free) at least 2 food-waste containers to place in the ECC kitchen as soon as possible, and also in the Plumer Hall kitchen.
- Begin educating the congregation about proper disposal of green/organic waste.

9. Building & Grounds Report: No report was submitted.

10. Moderator's Report: Written and verbal reports were submitted by Tricia Aynes. Key points included:

- Stewardship campaign was successful, with over 122 households pledging almost \$419,000. FDC members hand-wrote notes of appreciation to all pledgers, and they were well received. Preschool numbers have risen steadily, with 36 kids currently enrolled and more anticipated soon.
- Tricia and Pastor Sarah collaborated on two fund-raising letters: one on Giving Tuesday (December 1, 2020) and one End-of-Year Appeal in late December. They are hopeful the income generated will help narrow the gap.
- Tricia is working with office staff to prepare for the January 31 Winter Congregational Meeting. The Admin Board and the Ministries Board voted unanimously to conduct this meeting via Zoom. Agenda items include reviewing the 2021 Budget, hearing the State of the Church message from Pastor Sarah, and considering four Bylaw Amendments. A quorum of 25% of corporate members is needed to conduct this meeting. There are several Bylaw Amendments to be considered at the meeting. These include Creation of Ministry of Diversity & Inclusion, Revised Vision Statement (to add the bolded text): Irvine United Congregational Church seeks growth in spirit, fellowship and number **by becoming a more culturally diverse congregation**; by strengthening our capacity to serve our neighbors and community; by caring for each other as God cares for us; by inviting others to be part of our community of faith; and by working to transform individual lives and our community through the power to God's love in human action, Voting privileges for the Ministries Board Youth Representative from non-voting to voting on non-financial matters, and Indemnification language (provided by outside counsel).

11. Pastor's Report: Written and verbal reports submitted by Pastor Sarah Halverson-Cano. Key points included:

- Will continue to evaluate, manage, and work with David and MYP ministry to strengthen and expand its reach and depth.
- Work with the preschool, ECC Director Irma Rosales, and the child care committee.
- Mary Scifres has done work with IUCC in the past. She is seeking a 4 way covenant as she gains dual standing in the United Church of Christ.
- Worked with Worship Chair and volunteers to transform the sanctuary for Advent.
- Work and meetings with Fund Development Committee.
- Planned two distinct Christmas Eve services to continue the tradition of the Family Service and a candlelight service.
- Worked with MYP and music to create a very special virtual pageant: "A Quarantine Christmas", embraced a "Turning of the Year" service to mark the end of 2020 and a welcome to the new of 2021, and celebrated Epiphany.
- Will run two services one at 9:30am the second at 11am. Each will have a coffee hour following the services at the same zoom room.

- MYP items, including the possible addition to Sunday School to focus on a monthly activity that will encourage building relationships through games and online activities and appreciation to several members who have assisted with MYP and church activities.
- Stephen Ministry and Deacons.
- Communications

12. Old Business: None

13. New Business:
(A) 2021 Budget

Summary of Fiscal 2021 Budget

The keys to Fiscal 2021 are:

1. Obtaining a 2nd PPP loan (we are preliminarily estimating \$130 thous.);
 2. Getting a line of credit in place and/or SBA- EIDL;
 3. Gradually decreasing the ECC losses by increasing headcount while keeping payroll under control which should get us closer to breakeven (not assuming getting back to 63+ kids in 2021);
- Opening the church operations to live services as appropriate and minimizing cash losses. However, until the ECC is materially cash flow positive (i.e., > \$100 thous.) and providing excess cash flow to offset general fund losses we will not be anywhere near normal operations. We are in the 2nd inning of 9 inning game in terms of turning around our operations.

Remember after we built the admin. bldg. we added additional principal and interest payments (“P&I”) so that right now we have \$43 thous. of P&I plus the interest on the new LOC. The cash from the new ECC classroom was offsetting the additional P&I but not completely. Further, stewardship, while it is doing better due to the efforts of the stewardship committee, is still only back to 2015 - 2016 levels (approx. \$430 thous.) as we lost ground due to the capital campaign, yet expenses have continued to grow with inflation and due to turnover that has caused increases in salaries for new employees. (see table 29)

Further membership has basically stalled in the 310 – 330 level over the last 9-10 years and pledge units have fallen. Pledge units have been in the 150-160 range for most of the last 9-10 years, but have been more inconsistent in the last few years (See table 29). A new stewardship program with later timing proved to be ineffectual and was changed back to the original timing for the 2021 program which appears to be more successful. Had we not had the COVID-19 virus, the ECC could have had its best year ever and generated more free-cash flow than any other year as it was the first full year with 63 student capacity due to the new classroom and new bathrooms. We can accommodate more than 63 students as with partial week students we can probably accommodate 68 -70 students in total.

Total IUCC fiscal 2021 budget is forecast to be roughly the same loss as fiscal 2020 at (\$193) thous. (See table 6) This includes \$130 thous. of 2nd round PPP forgivable loan. The ECC is forecast to incur a loss of (\$91) thous. better than 2020 but it is still operating at a loss currently and will most likely lose money for the entire year as we are still capped at 44 students, far below the 63+ that we can accommodate when we are not under COVID-19 restrictions. With the \$130 thous. from the PPP loan general fund revenue will be better than LY, but we are assuming that we will return to normal operations in the 2nd half of the year so expenses will begin to increase over the abnormally low amounts in 2020 so the loss will be about (\$50) thous. poorer than LY. Due to the continuing losses we are forecasting that we will need to borrow approx. \$270 thous. from the LOC and/or the SBA- EIDL (see table 7 below). Our gross use of cash + investments is forecast to be (\$319) thous. And our net use of cash will be approx. (\$190) thous. Cash + investments are forecast to increase from \$250 thous. at year-

end 2020 to \$327 thous. at year-end 2021. (See table 7)

We have also booked the PPP grants funds of \$96 thous. in Dec. in the general fund and some of the reserves originally to be used for the pergola were redirected to the differential of the new Sr. Pastor's compensation package vs. the interim/former Sr. Pastor. Total expenses were \$32 thous. better than budget, so that the net loss of (\$45.4) thous is \$134.7 thous better than budget. Net income adj. for depreciation is forecast to be \$80.3 thous. for 2020 which is also \$134.3 thous. better than budget. Total change in cash + investments is forecast for 2020 to be a loss of (\$1.2) thous. vs. a budgeted loss of (203.7) thous.

The general fund is expected to be poorer in terms of financial results in 2021 as we anticipate some live services later during 2021 and higher expenses and more ministry spending. This will be offset by another 2nd round of PPP loan/grant to offset expenses as we had in 2020, this is only a preliminary number but **we anticipate about \$130 thous., but we will not know for sure until we submit our application so it could change up or down.** Based on the results so far, the \$430 thous. in pledged contributions will be about an 8% increase over LY and total contributions will be up about 5.4%. Rental income will be down as we cannot charge the ECC at the same rate we would if it could accommodate 63+ students and it will be only \$18.5 thous. The general fund will likely incur a loss of (\$102) thous. and a net income adj. for depreciation of (\$82) thous. in 2021.

MOTION: To approve the 2021 budget as proposed. Moved by Daniel Blackburn and seconded by Dorothy Duncan. Motion carried.

(B) Discussed that Mary Scifres has done work with IUCC in the past. She is seeking a 4 way covenant that includes IUCC, Mary Scifres, the Mary Scifres Ministry, and the Southern Association as she gains dual standing in the United Church of Christ.

MOTION: To be the local church partner with Mary Scifres of Mary Scifres Ministries and the Southern Association of the United Church of Christ to support Mary's dual standing as a UMC pastor in the UCC. She will draw up a 4 way covenant to then be approved by IUCC, and the Association as well as her Ministry board and herself. Moved by Mark Allen and seconded by Penny Portillo. Motion carried.

14. Executive Session: None

15. Return to Regular Session: N/A

16. Adjournment/Closing Prayer (Steve Swope): The meeting was adjourned at 8:35 p.m. per motion by Mark Allen and seconded by Laura Palen. Motion carried.

Respectfully Submitted,

Laura Palen,
Clerk of the Administration Board