

Finance Committee
Asbury First United Methodist Church
July 28, 2025
Meeting Minutes

Present: Deb Bullock-Smith, Michelle Bogue-Trost, Angie Burch, Paul Campbell, Jim Connell, Tim Mahan, John Ormsbee, Dawn Riedy, Joe Stankaitis, Scott Turner, Mark Wright

Meeting called to order at 5:30 pm.

Paul shared a devotion.

Approval of Meeting Minutes

Motion to approve June 23 Minutes (no corrections). Motion by Jim, seconded by Scott. Approved unanimously.

Second Mile Giving Update

The congregation's response to the 2025 General Budget deficit was generous and prompt. Second Mile Giving pledges and unpledged giving to date total \$224,600, exceeding our goal of \$200,000. Of this total, \$158,078 (79 gifts) have been received as of July 26. The reforecast 2025 General Budget is now fully funded.

Team and Committee Updates

- Senior Minister (Michelle)- Work with the Generosity Team is in progress
- Governing Board (Tim)- No July meeting; Financial Sustainability Task Force is meeting Aug 1
- Generosity Team (Joe)- Team met and is establishing a Stewardship timeline for the fall; team also sent thank you notes for Second Mile gifts
- Legacy Giving Team- No update
- Audit Team (Scott)- Team has not met; 2023 audit is ongoing with no known issues
- Investment Committee- No update
- Facilities & Custodial Budget Team (Jim)- Tess Doerner has volunteered to assist. Jim is reviewing several years of expenses data. See additional notes under 2026 Budget Planning below.
- Property Stewardship Committee (Paul)- Paul shared information about a thermostats issue, including remediation options. Boiler of concern may be repairable rather than needing replacement.
- PPRC Committee (Michelle)- Working on a 2026 staffing strategy and budget
- Outreach Committee (Dawn)- Outreach leadership has started working on a 2026 budget; Pat Dupont will be leading the subgroup working to secure more non-member support and pledges

Review of June Income & Expenses

- General Budget- see detailed June Income & Expenses on last page of Minutes; no concerns; year to date unpledged income is lower than last year, but overall contribution income (pledged + unpledged) is strong; excellent response to Second Mile Giving appeal as noted above
- COC Budget- income on target; expenses below budget; no concerns

Budgets Lookback Review

Dawn recently completed a 10-year comprehensive review of Asbury's budgets (2015-2025), based on Power Church financial data. The next portion of the meeting was spent reviewing the findings and trends identified in this report.

Key takeaways:

- For a number of years General Budget expenses outpaced General Budget regular income (e.g. pledged and unpledged giving, endowment interest draws, property usage) resulting in a chronic structural deficit, as evidenced by a decline in unrestricted equity (and the cash balance) of the General Budget Fund
- In recent years the General Budget structural deficit was masked by one-time income (e.g. COVID relief dollars and other one-time gifts totaling \$625,488), and by shifting approximately \$300,000 in expenses from the General Budget to the new COC Budget in 2023; other contributors likely included pandemic disruptions, coupled with the transition to a new governance model
- Starting with a giving campaign in late 2022/early 2023, COC donor-restricted gifts have become a new source of income to support the COC Budget (now a fully allocated budget)
- All-campus non-personnel facilities & custodial expenses have grown more rapidly than any other expense category
- Moving forward, all budgets need to focus on repeatable, sustainable income sources

Cash Balances Review

Background information shared with the Committee:

Asbury uses a fund accounting system to ensure all dollars received are used for their intended purposes. The following funds' cash balances are tracked separately, but held as cash assets in a single checking account:

- General Budget Fund (1A)
- COC Budget Fund (2A)
- COC Reserve Funds (2B)
- Off-Budget Other Restricted Funds (4A)
- Off-Budget Columbarium Funds (4B)
- Capital Improvement Fund (7A)
- Capital Campaigns Fund (8A, currently no appreciable cash balance)
- Endowments Fund (9A, no appreciable cash balance)

The total cash available in all of these funds- the **Aggregate Cash Balance**- represents the total cash dollars available in Asbury's checking account to fund ongoing operations (e.g. pay bills) at any point in time.

Because of the chronic General Budget structural deficit described above, the General Budget Fund has had a negative cash balance since May 2023 (and at various times prior to 2023). For this reason, the General Budget Fund has been dependent on temporary loans from the other Funds (2A-7A) while awaiting the arrival each month of new income. This strategy is a common practice for nonprofits, and the **Aggregate Cash Balance** has been sufficient to make this feasible.

With the transfer of two large bequests from Off-Budget Other Restricted Funds to the Endowment Fund (still assets but no longer cash), return of a Dental Grant to the granting agency (approximately \$50,000) and the expenditure of \$200,000 in accumulated Columbarium Funds (as intended, for construction of the Columbarium), within the next few months the total cash available in Funds 2A-7A will no longer be able to compensate for the negative General Budget Fund cash balance. We therefore need to find an additional source of cash to bolster the **Aggregate Cash Balance**. Importantly, this situation is in the context of a now fully funded reforecast 2025 General Budget and plans to ensure a balanced 2026 budget. Said differently, we have sufficient budgeted income to cover all of our expenses- the need is for adequate cash-on-hand to ensure payroll and bills can be paid promptly over the variable time budgeted income is received.

Although the General Budget Fund has a negative cash balance, it holds a significant asset, a \$155,500 interfund loan, currently owed to the General Budget Fund (1A) by the Capital Campaigns Fund (8A). This interfund loan was made in 2012 at a time when the General Budget Fund had significant cash surpluses. This debt represents the 1050 roof replacement (prior to 2012), a capital project that was not part of either the A Time To Build (ATTB) or Better Together (BT) Capital Campaigns. The current plan is for this interfund loan to be paid off when Asbury receives a known charitable remainder trust (CRT).

Based on this background information, several options for bolstering the **Aggregate Cash Balance** were discussed, including intermittent use of Asbury's line of credit to smooth out cashflows and calling in the interfund loan described above.

Motion to recommend to the Governing Board the following actions to stabilize cash balances:

- That the obligation for the \$155,500 capital project debt be transferred from the Capital Campaigns Fund (8A) to the Capital Improvement Fund (7A) where it actually belongs
- That a comparable amount of the CRT asset be transferred from the Capital Campaigns Fund (8A) to the Capital Improvement Fund (7A), thereby preserving the Capital Improvement Fund's total equity
- That the lender for the interfund loan be transferred from the General Budget Fund (1A) to the Endowment Fund (9A), resulting in a cash transfer of \$155,500 from the Endowment Fund to the General Budget Fund
- That the Endowment Fund (9A) loan to the Capital Improvement Fund (7A) be with interest- with the interest rate and terms to be determined by the Investment Committee
- That the Capital Improvement Fund (7A) will be responsible for interest payments to the Endowment Fund (9A)
- That the interfund loan from the Endowment Fund to the Capital Improvement Fund be paid off when the CRT is received

Motion by Joe, seconded by Jim. The motion passed unanimously.

This recommendation will next be reviewed by the Financial Sustainability Task Force (Aug 1) and the Investment Committee (Aug 7), in preparation for the Governing Board Meeting on Aug 11. Wendy Featherstone, PSC Chair, is aware of this proposal.

2026 Budget Planning

COC Budget

Dawn will send a Finance Committee memo (previously emailed to Finance Committee members for review) to Pat DuPont, COC Director, and Diana Carter, Outreach Committee Chair, outlining guidelines for 2026 COC Budget preparation. COC budget preparation is the responsibility of the COC Director and the Outreach Committee. Expectations about transparency, ministries engagement, co-responsibilities of the Finance Committee, assumptions to be used for projecting 2026 expenses and expectations around garnering COC pledges and other income are outlined in this memo. A draft COC Budget needs to then be submitted to the Finance Committee (no later than Oct 1) for review and approval.

Facilities & Custodial Budget (General & COC Budgets)

Dawn has met with Jim Connell, Deb Bullock-Smith, John Ormsbee and the Property Stewardship Committee (PSC) to discuss how to address escalating non-personnel facilities & custodial expenses. After many years of 4-5% annual cost increases, expenses jumped 27% from 2023-2024 and other 41% from 2024 (actual) to 2025 (reforecast budget). Performance to budget also needs improvement (these expenses have been over-budget by 19-36% each year since 2022). The working plan is for Jim (and his TBD team) to work with Deb and John to focus on utilities and janitorial/maintenance supply expenditures, opportunities for cost savings and a realistic 2026 budget, including parsing out the supply expenses attributable to the Daycare. In turn, the PSC (Wendy Featherstone & Paul Campbell) has been asked to take a lead in working with Deb and John to re-evaluate all campus maintenance contracts- starting with a zero-based budget for 2026- in an effort to reduce costs in this area- in tandem with developing a better process for managing uncovered maintenance/repairs. The "stretch" goal at this point is to get back to non-personnel facilities & custodial expenses incurred in 2024 + 10%.

General Budget

The Committee started reviewing a high-level, first-pass draft budget proposal. Both income and expenses assumptions need additional review and vetting. This discussion will be continued at the August meeting.

The meeting was closed in prayer at 7:10 pm. Our next meeting are August 25 and Sept 22.

Respectfully submitted by Dawn Riedy

General Budget Monthly Income & Expenses JUNE 2025	2025 June Actual	2025 YTD Actual	2025 YTD Budget	2024 YTD Actual	YTD 2025 vs 2024	2025 Annual Budget (Reforecast)	2024 Year End Actual	2025 Budget vs 2024 Actuals	Notes
INCOME									
CONTRIBUTION INCOME									
Pledged & Unpledged	79,508	811,877	808,467	851,263		1,339,503			
Second Mile Giving	55,940	55,940	50,000	-		200,000			1
Transfer IN: Memorials	-	-	2,000	-		4,000			
Other Contribution Income	525	5,218	11,225	9,526		22,450			
Subtotal Contribution Income	135,973	873,035	871,692	860,789	1%	1,565,953	1,457,281		
ENDOWMENT INCOME	29,287	177,224	175,854	179,096		351,707	359,579		
RECENT BEQUEST	2,892	17,350	17,350	-		34,700			
PROPERTY USAGE	12,717	77,024	64,965	66,734	15%	126,085	136,137		2
OTHER INCOME	2,090	20,954	15,177	18,888		31,128	41,646		
TOTAL INCOME	182,959	1,165,588	1,145,037	1,125,506	4%	2,109,573	1,994,643	6%	
EXPENSES									
SUBTOTAL PERSONNEL	93,112	636,406	632,327	593,158	7%	1,194,120	1,157,563	3%	
INTERFUND TRANSFERS OUT	(2,500)	36,000	36,000	72,500		51,000	170,524		
ADMINISTRATION	7,989	54,817	68,466	65,318		118,898	114,934		
COMMUNICATIONS	899	20,262	19,955	15,419		26,218	20,566		3
MINISTRY SHARES	27,635	158,810	159,320	119,880		318,190	236,390		
WORSHIP & ARTS	662	7,715	6,075	6,288		11,150	9,602		
EDUCATION	1,133	16,535	15,375	7,846		27,250	17,720		
CONGREGATIONAL CARE	895	7,871	8,063	11,076		15,060	17,055		
FACILITIES & CUSTODIAL									
Utilities	8,671	70,252	61,360	62,645		114,862	106,821		
Janitorial Supplies	1,488	12,951	13,110	6,279		23,001	12,078		
Maintenance Supplies	493	9,307	8,782	7,340		15,100	14,755		
Maintenance Services							100,895		
Maintenance Contracts	7,653	40,729	36,525	9,421		73,397			
Uncovered Maint/Repairs	380	68,643	73,608	23,668		95,000			4
Insurance/Prof Services	5,247	15,700	12,285	12,579		24,570	18,201		
Subtotal Facilities & Custodial	23,932	217,582	205,670	121,932	78%	345,930	252,750	37%	5
SUBTOTAL NON PERSONNEL	60,646	519,592	518,924	420,259	24%	913,696	839,541	9%	
TOTAL EXPENSES	153,758	1,155,998	1,151,251	1,013,416	14%	2,107,815	1,997,104	6%	
EXCESS INCOME/EXPENSES	29,200	9,590	(6,215)	112,090		1,758	(2,461)		
New Notes (please refer to June Finance Committee Meeting Minutes for more detailed notes regarding budget set-up)									
1- Second Mile Giving started in early June; as of 7/26/25 we have pledges and gifts totaling \$224,600 (\$158,079 of this already received)									
2- Property Usage year to date 15% higher than last year									
3- Most 2025 expenses (e.g. subscriptions) have been paid for									
4- Minimal uncovered maintenance/repairs (good news)									
5- Facilities & Custodial is still area of greatest concern (and is being closely monitored)									