

# CICERO CHRISTIAN CHURCH

1715 Stringtown Pike / Cicero, Indiana 46034 / 317.984.4653

reachteachserve.org



To: Team Ministry Cabinet  
From: Beth Roberts  
Subject: 2009 Budget Draft 3  
Date: December 11, 2008

In your mailbox is the printout on yellow paper of the proposed 2009 Budget, draft 4, dated 12/10/2008. It is also available on our church website by following this path:  
<http://www.cicerochristianchurch.org/3News/2009Budget.pdf>

The Team Ministry Cabinet will discuss and vote on this proposed budget on Sunday, December 14 in the multipurpose room at noon, following second service. We will also elect officers of the cabinet for 2009.

To aid in digestion of all this data, I've prepared the following comments. Please review this information then review the budget document for the complete details.

Since the November 24 Elders meeting where the first draft of the 2009 budget was presented at \$17,706, it was agreed that the 2009 budget target should not exceed the current income (at the time, 47 weeks into 2008, \$16,227), the staff have submitted budget cuts, the administrative elders, ministers, and the full eldership have been praying and meeting on several occasions resulting in the proposed budget of \$15,637 a week for 2009.

At 48 weeks into 2008:

General Fund giving average: \$16,108

General Fund spending average: \$17,205

## Budget Considerations:

*Please note that when the budget preparations began and the initial budgets were due from team ministry coaches in mid October, the crash of the US financial system had not yet occurred. We have made significant changes to the proposed budgets in light of our current recessionary financial environment.*

- We must increase our cash balances in our bank account.
  - At 47 weeks, the balance of the general fund was \$10,500. The balance of the cash accounts was \$78,000, for a total liquid assets of \$88,500. The majority of the decrease in our account balance has occurred in the last 5 months and is directly related to the volatile market.
  - Our next principal payment on our mortgage of \$60,000 will be drafted from our account on March 1.
  - Cash account balance includes the debt owed by daycare, income from the 50/50 fund, escrow for the mortgage principal payment, unallocated missions funds and all other non-budget controlled funds. As debts in negative cash accounts (limited to daycare payroll reimbursement, old debt from the pond excavation not covered with the "Over and Above program and old debt from the LOFT renovation) are decreased, the amount of this cash account can increase as much as \$65,000.
  - Obviously, we must appeal to our congregation to be faithful stewards and prayerfully explore their tithing habits in the context of scripture.

- The economic downturn has not significantly affected our church offerings and we will begin to see a reduction in weekly giving averages. Our weekly general fund income average is 4% less than it was at the same time frame in 2007.
- Spending must be reduced.
  - A freeze on new purchase orders was put into affect on 12/4/2008. This will continue into 2009 as we seek to rebuild our general fund balance.
  - The color copier has been disconnected for use effective 12/11/2008. This will save an estimated \$1200 in copies through the remainder of the life of the lease through March 2009. When the lease is completed, the copier will be returned and will not be considered for replacement until general fund account balance increases to the goal.
  - “Perks” have been eliminated. No conferences, tuition reimbursement, mileage reimbursement (can still be taken off taxes), no replacement color copier when lease is done.
  - We will borrow, reuse, create, or solicit from our congregation. Whenever possible, we will not purchase new curriculum, but will reuse what we have, borrow from sister churches, create our own, or request a gift from the congregation a specified curriculum. We will use the same concept for our music and drama ministry.
  - We are trying to sell the white van. It is in excellent shape, 15 passenger van with less than 40,000 miles. If you know of someone who might be interested, please mention this to them. We would take less that \$15,000 for the purchase.
  - We will inform the congregation regularly of specific donation drive needs, which highlighted in the proposed budget as “DONATION DRIVE.” The following items have already been identified as a starting point for gifting donations:
 

Supplies for KIP Projects	Mulch
Welch's Grape Juice (communion)	Facial Tissue
Prayer ministry books and materials	Non-Latex Rubber Gloves in XL
Batteries: rechargeable AA Batteries; 9 Volt, D	Scrubbing Bubbles
Cell Batteries	409 Cleaner
Children's Ministry Snacks	Softener Salt (blue bag)
Birthday cards	Sidewalk Ice Melt
First Class and Post Card Postage Stamps	Used refrigerator for office
Food for our food Pantry	New CD-RWs and DVD-Rs
Foam/paper/plastic plates and bowls, cups and napkins	
- Goal is that tight budgeting and delayed spending will not be altered until:
  - We successfully pay the \$60,000 payment in March.
  - Daycare has begun to repay their debt (assuming that the food program and subsidized voucher system is in effect within the first couple of months of 2009).
  - General fund balance rises above at least \$50,000. We’ve overspent that much once the spending became more than the income in the late summer of this year.
- Significant property issues (failed heater/air conditioner, roof repairs...) will severely impact this budget, as this budget supports basic building maintenance.
- Our mortgage debt is based on a variable rate. Our weekly spending figure (\$17,205) are inflated specifically because this variable rate has negatively and significantly affected our bottom line this fall. We have seen the rates on which our mortgage is based (bond and LIBOR) reduced from their spikes, but not return to a favorable swap position that we enjoyed about 18 months ago. We have focused the past two years on reducing debt, and have raised over \$125,000 toward that goal. We have not accumulated any additional debt (other than daycare support) in over three years. Until we can significantly reduce or, God willing, eliminate our debt, we will continue to suffer the suffocating effect. In a time where we would like to be able to reach out significantly to our congregation to help with financial distress, we are limited by our own debt.
- Income must be watched closely and income and spending must be adjusted accordingly. We must be prepared to do something more extreme if trends do not produce favorable financial results, including placing for sale a portion of our undeveloped property (we own about 72 acres

that is currently farmed and not encumbered in our mortgage), appeal to our congregation, delay ministry start-ups, eliminate ministries...

- We have faith that God's is in control, and we solicit him to work with us, His broken vessels. He must be factored in our every decisions to continue to be blessed. We seek to do His will, and ask for your guidance and prayerful input in preparing for what we anticipate to be a rocky financial road ahead, where our goal is to reach, teach and serve our community for Christ.

## Notes on the Budget Spreadsheet

- Column D represents the current budget proposal of \$15,637 a week. Column E explains the details of the spending.
- Column F represents what has been altered from the original requested budget. In most instances, this will be a reduction, shown as a positive number. Additions are listed as negative numbers. Column G explains the alterations. Adding columns D and F will equal column J, which is the original requests presented to the elders on November 1. (There are some exceptions, where errors in a couple of formulas were corrected in the preparation of the drafts).
- Our ministers were given an opportunity to resubmit a budget for several ministry areas with significant cuts. When this occurred, it is noted "per coach." In many instances with the minister's revised proposals, further cuts were made without their specific input, and those are listed as "In Addition." In nearly all other ministry areas who were not afforded the opportunity to resubmit proposals, column F and comments in Column G will be new information. Should the coach wish to reallocate the funds in a different manner, that is acceptable as long as the target amount in column D is the same or less. The coach should present the proposal reallocations for altering in the finalized budget to Beth Roberts for proper implementation for the purchase order and budget tracking system maintained by our Financial Secretary Sherry Strauss.

## Changes to Payroll

### Overall:

**Taxes:** We were notified by the State of Indiana Workforce Development office that our SSI/Unemployment wage tax, which is part of our payroll expense, will use a factor of 1.1%. We had calculated this at 1.3% in 2008, and this was not adequate and we were prepared to increase as high as 5.6% in draft 3 before this notification came. We must include 1.1% of each salary up to \$7,000 per employee as an employee cost in calculating salaries. In the past the church has absorbed the cost of this tax for all payroll employees, which includes daycare, preschool and kindergarten. In 2009, this cost will be shared.

**Positions:** No existing positions were eliminated in this draft of the budget. Several part-time support positions had a reduction in salary or hours per week. Two interns were requested and approved, but no salaries were allowed, therefore any interns that come would have to work for the split of a love offering at the end of their service. Specifics on the cuts are not listed. Should you have specific questions on what was reduced, please see one of our elders.