

THE PRESBYTERY OF LOS RANCHOS
2012 Proposed General Mission NARRATIVE BUDGET
Presentation to Council and November Presbytery

Following this Narrative Budget will be the actual Proposed General Mission Budget for 2012 (and projected for 2013). These documents have been prepared by the Budget Subcommittee of Trustees, the full Trustees, and the Presbytery Council. Note especially that this is a “unified” budget; the recommendation is to consolidate Mission and Operating Budgets into a single expense budget with multiple resource streams.

The following are the major headings of sections of the Mission Fund Budget along with a narrative description of “income” and “expenses”.

INCOME SECTION

1. General Mission—Presbytery Share. This amount is the share of denominational “unified” mission giving plus the gifts from congregations designated for presbytery’s budget. (includes #6 below in 2010, 2011, and 2012) This is money given for the shared mission/ministry of Los Ranchos congregations.
2. Per Capita—Presbytery Share. This is the annual per member apportionment based on Presbytery membership as of December 31, 2010. (Membership declined fewer than 100 members in 2010). This is the minimum contribution expected from each of our congregations to support presbytery mission.
3. Investment Income. This is anticipated income from unrestricted investments and funds. Trustees are moving toward a comprehensive investment policy that should guarantee consistent investment returns for the immediate future.
4. Other sources of funding.
 - a. Grants and other income from Synod and General Assembly, shared costs of ministries (e.g. chaplaincies), and income designated toward specific ministries (e.g. gifts & reimbursements).
 - b. Restricted Funds. Temporarily restricted by presbytery for specific uses (Sale of Property)—or restricted by congregations for specific ministries (e.g. OGHS and Joining Hearts and Hands)—or permanently restricted by donors. Funds restricted by congregations are noted on presbytery’s balance sheet as liabilities.
 - c. Sale of Property. Income from sale of South Gate. \$500,000 is helping in transition to new presbytery design. Balance of income and interest goes into “Sale of Property Fund” with money distributed according to determined formula: 50% for Congregational Development; 30% loans to congregations; 10% Leadership Development; 10% Salary Supplements. These represent a shift from “property asset” to “cash asset”. We hope to receive an additional \$2.5m (est.) net from the sale of El Siloe in 2012.
 - d. “Net Assets”. This is the new accounting term for what has traditionally been known as “balance” (“starting” and “ending”).

EXPENSE SECTION

1. **General Mission.** Primarily the programmatic, mission, and personnel costs of presbytery.
 - a. **Strategic Coordinating Team.** Oversees the following line items:
 - 1) “Healthy Congregations”. Support of projects to encourage and support “healthy congregations”. Resources, training, and consultants.
 - 2) “USC Chaplaincy”. Five presbytery program to provide chaplaincy presence at USC hospital—including CPE supervision.
 - 3) “Strategic Coordinating Team”. Support of Networks, Partnerships, new initiatives, resourcing presbytery. Youth Triennium and APSCE.
 - 4) “Demographic Support”. Underwriting of demographic information for use by congregations in planning and mission.
 - 5) “Leadership Development”. Along with money from Sale of Property Fund, provides for training of pastors, elders, and congregational leaders in obtaining specific skills for ministry.
 - 6) “Worldwide Mission Partnership”. Presbytery’s first Partnership links individuals for all congregations engaged in international mission and is liaison to our Kenyan partnership.
 - 7) Contract Staff: Media, Mission, and Hispanic Ministries
 - 8) Other Partnerships not funded through Mission Budget:
 - a. Bridging Borders; La Mission, Mexico and 5 congregations.
 - b. Ladera Ranch NCD. Presbytery and San Clemente.
 - c. All racial-ethnic congregations and fellowships.
 - d. Projects funded through Sale of Property Fund and Synod grant.
 - b. **Staff Relations.** Provides staff for all presbytery programs, ministries, support and services. Included are Presbytery Pastor, Associate Presbytery Pastor, Associate Presbytery Pastor/Stated Clerk, Administrative Coordinator, Finance Manager, Administrative Assistant and three contract staff.
2. **Administrative Expenses (Trustees)**
 - a. **Office Operations**
Audit, Computer, Copier, Software, Legal Expenses, Insurance, Custodial, Rent, Office Supplies, Postage, Paper, Telephone/Internet.
 - b. **Unpaid Per Capita**
 - c. **Depreciation**
3. **Expenses Related to Operating Units of Presbytery**
 - a. **Council:** Presbytery gatherings, SMRT, Retreat
 - b. **Committee on Ministry:** Training, interventions, scholarships, counseling, PNC’s, Presbytery Pastor’s meetings with ministers, Pastors’ Retreat, new pastor orientation.
 - c. **Committee on Preparation for Ministry:** Student Financial Aid, Retreat, counseling, Psychological Assessments, Candidates’ travel expenses.

FUNDS

Accounting practices require we separate funds in to

TEMPORARILY RESTRICTED: Designated by Presbytery for a specific purpose; the purpose may be modified in the future by action of the presbytery.

PERMANENTLY RESTRICTED: Restricted by donor and may only be used according to donor's restrictions.

UNRESTRICTED: Money received for the General Mission Budget of the presbytery.

In addition to the General Mission Fund of the presbytery (unrestricted) we also have:

Sale of Property Fund

Money from the sale of property (closed congregations) is accounted for as "presbytery restricted" assets divided into four "sub-funds":

1. **Church Development** (50% of all proceeds into their own fund). Oversight and distribution by Strategic Coordinating Team. For support of redevelopment, new church development, transformation grants, etc.
2. **Building/Deferred Maintenance** (30% of all proceeds). Oversight and distribution by Trustees. A "shared" program wherein presbytery will provide funding for "deferred maintenance" expenses (repairs under \$100,000); 50% to be repaid within five years and the balance a grant.
3. **Leadership Development.** (10% of proceeds). Oversight and distribution by Council. Preparing leaders for missional churches. Training opportunities. Internships for candidates under care.
4. **Pastor's Compensation.** (10% of proceeds.) Oversight and distribution by Committee on Ministry. Bring compensation up to presbytery minimum; medical offsets in cases of extreme medical need.

Trustees anticipate an infusion of at least \$2.5m early in 2012 from sale of El Siloe property.

Saint John's Compton Fund

Funds available from the sale of churches in Long Beach/Los Angeles presbytery which are presbytery restricted for African-American New Church Development. Presently, it is the primary presbytery source of funding for New Hope Presbyterian Church in Orange.

Synod Grant

In 2010, Synod granted each presbytery \$200,000 as a "fair share" of the proceeds of sale of the Wilshire office property. Full amount will be received as of first quarter of 2012.

Council recommended and Presbytery approved \$30,000 for replacement of the accounting software that would not be supported after 12/31/2011. It included reconstruction of Chart of Accounts, rollover of 2008-2010 data, set up of payroll, training of Administrative Assistant for Finance. Once in place, it will cost about \$2000 less per year for support—and provide unlimited ability to design budgets, reports, and other tools. \$10,000 will assist with expenses of Consultant for Hispanic Ministries

The Strategic Coordinating Team is preparing guidelines for distribution of funds—and process for applying for the \$160,000 balance in this fund. It is being managed as a presbytery restricted fund.

Endowment

Permanently restricted by donors for permanent investment, with the proceeds from interest available for mission budget.

Candidate Scholarship

Donor restricted at the time of ordinations/installations to be used solely for providing scholarship for seminary students under care of this presbytery.

Samaritan Fund

Donor restricted for the purpose of assisting pastors in time of crisis or special need. Primary sources of funding are individual session and Presbytery golf tournament.

Joining Hearts and Hands

Donor restricted funds for new church development. Most of remaining funds are committed to Ladera Ranch NCD, with some funds still committed to Downey Multi-cultural ministry.

An example of a change in “Temporarily Restricted” funding was a proposal by Council, approved by presbytery, to utilize \$500,000 from the sale of the South Gate property to address personnel costs in 2010, 2011, and 2012.

The Council also recommended and presbytery approved diverting the interest from the note we are carrying on the South Gate property to provide an additional \$20,000 of revenue for the Mission Budget in 2011 and 2012.

PRESBYTERY BUDGETS 2011-2013

| ACCOUNT | 2011 Budget | Proposed 2012 | Projected 2013 |
|--|---------------------|--|----------------------|
| INCOME | | | |
| General Mission Pledges | \$506,000.00 | \$510,000.00 | \$500,000.00 |
| Per Capita Apportionment | \$275,000.00 | \$313,376.00 | \$313,376.00 |
| Investment Income/Other | \$52,500.00 | \$45,000.00 | \$40,000.00 |
| INCOME TOTAL | \$833,500.00 | \$868,376.00 | \$853,376.00 |
| EXPENSES | | | |
| <i>Building Healthy Congregations</i> | \$6,000.00 | \$6,000.00 | \$6,000.00 |
| <i>Consultant for Hispanic Ministries</i> | \$10,000.00 | \$10,000.00 | \$0.00 |
| <i>LA County/USC Hospital Chaplaincy</i> | \$15,500.00 | \$15,500.00 | \$15,500.00 |
| <i>SCT Partnerships</i> | \$18,000.00 | \$4,000.00 | \$14,000.00 |
| <i>Demographic Support</i> | \$8,500.00 | \$7,500.00 | \$7,500.00 |
| <i>Leadership Dev</i> | \$10,000.00 | \$5,000.00 | \$5,000.00 |
| <i>Worldwide Mission (WWM) Partnership</i> | \$26,250.00 | \$25,500.00 | \$25,000.00 |
| Transitional Ministry | \$6,000.00 | \$0.00 | \$0.00 |
| Trustees (p 2) | \$142,800.00 | \$138,400.00 | \$138,400.00 |
| Council (p 2) | \$8,500.00 | \$8,000.00 | \$7,500.00 |
| COM (Committee on Ministry) (p 3) | \$8,950.00 | \$9,700.00 | \$9,700.00 |
| CPM (Preparation for Ministry) (p 3) | \$13,500.00 | \$12,000.00 | \$12,000.00 |
| Staff Relations (p. 4) | \$687,734.00 | \$697,157.00 | \$693,257.00 |
| | | <i>Staff Relations in 2009 was \$850,340</i> | |
| EXPENSE TOTAL | \$961,734.00 | \$938,757.00 | \$933,857.00 |
| Surplus (deficit) | (\$128,234.00) | (\$70,281.00) | (\$80,581.00) |
| Odyssey Investment (South Gate Proceeds) | \$150,000.00 | \$100,000.00 | \$0.00 |
| FINAL NET | \$21,766.00 | \$29,719.00 | (\$80,581.00) |
| Beginning Balances as of January 1 | \$45,179.00 | \$66,945.00 | \$96,664.00 |
| Net Assets as of December 31 | \$66,945.00 | \$96,664.00 | \$16,083.00 |

Per Capita: 2011~19,600 members X \$14.05; 2012~19,586 members X \$16.00 = \$313,376; 2013~TBD

| TRUSTEES/OPERATING EXPENSES | | | | |
|------------------------------------|---------------------|---------------------|----------------------|-----------------------|
| ACCOUNT | 2011 | Actual 10/31 | Proposed 2012 | Projected 2013 |
| Audit/Accounting | \$12,000.00 | \$5,527.00 | \$12,000.00 | \$12,000.00 |
| Computer Support | \$12,000.00 | \$3,340.00 | \$9,500.00 | \$9,500.00 |
| Copier Expenses | \$18,000.00 | \$15,154.00 | \$17,000.00 | \$17,000.00 |
| Equipment Maintenance | \$3,000.00 | \$75.00 | \$2,500.00 | \$2,500.00 |
| Accounting Software Support | \$6,000.00 | \$4,316.00 | \$4,000.00 | \$4,000.00 |
| Legal Expenses | \$8,000.00 | \$6,103.00 | \$8,500.00 | \$9,000.00 |
| Property/Liability Insur | \$10,000.00 | \$11,126.00 | \$11,000.00 | \$11,000.00 |
| Custodial Services | \$6,800.00 | \$4,950.00 | \$7,000.00 | \$7,200.00 |
| Facilities Maintenance | \$2,500.00 | \$410.00 | \$1,500.00 | \$1,500.00 |
| Office Supplies | \$12,000.00 | \$13,330.00 | \$12,500.00 | \$12,500.00 |
| Postage | \$12,000.00 | \$7,704.00 | \$12,000.00 | \$12,000.00 |
| Paper and Printing | \$2,000.00 | \$1,924.00 | \$2,500.00 | \$2,500.00 |
| Office Rent | \$18,900.00 | \$15,750.00 | \$20,000.00 | \$20,000.00 |
| Telephone/Internet | \$9,000.00 | \$3,987.00 | \$6,000.00 | \$6,000.00 |
| Pby Moderator Exp | \$1,600.00 | \$47.00 | \$2,400.00 | \$1,800.00 |
| Allow for Unpaid PC | \$8,000.00 | \$0.00 | \$10,000.00 | \$10,000.00 |
| Sub-Total: TRUSTEES | \$141,800.00 | \$93,743.00 | \$138,400.00 | \$138,500.00 |
| Non Cash (Depreciation) | \$13,000.00 | \$13,212.00 | \$12,500.00 | \$12,000.00 |
| PRESBYTERY COMMITTEES | | | | |
| COUNCIL | 2011 | Actual 10/31 | Proposed 2012 | Projected 2013 |
| Presbytery Gatherings | \$2,000.00 | \$2,394.00 | \$2,500.00 | \$2,500.00 |
| Media Support | \$2,000.00 | \$0.00 | \$500.00 | \$500.00 |
| Retreat | \$500.00 | \$0.00 | \$500.00 | \$500.00 |
| Presbytery Speakers | \$2,500.00 | \$0.00 | \$1,000.00 | \$1,000.00 |
| PJC/AC | \$1,000.00 | \$0.00 | \$1,000.00 | \$1,000.00 |
| Contingency | \$500.00 | \$161.00 | \$500.00 | \$500.00 |
| Sexual Misconduct Response Team | \$1,000.00 | \$1,809.00 | \$2,000.00 | \$2,000.00 |
| Sub-total COUNCIL | \$9,500.00 | \$4,364.00 | \$8,000.00 | \$8,000.00 |

| COMMITTEE ON MINISTRY | 2011 | Actual 10/31 | Proposed 2012 | Projected 2013 |
|-------------------------------------|-------------|---------------------|----------------------|-----------------------|
| Committee Meetings | \$1,200.00 | \$502.00 | \$1,000.00 | \$1,000.00 |
| PP Meals w Pastors | \$1,500.00 | \$1,708.00 | \$1,700.00 | \$1,700.00 |
| Sub-committees | \$500.00 | \$303.00 | \$500.00 | \$500.00 |
| Pastoral Care & Ed | \$750.00 | \$1,038.00 | \$1,500.00 | \$1,500.00 |
| Coaching | \$1,000.00 | \$0.00 | \$1,000.00 | \$1,000.00 |
| Spring Pastors' Retreat Exp | \$4,000.00 | \$8,327.00 | \$3,000.00 | \$3,000.00 |
| Spring Retreat Income | \$0.00 | \$8,890.00 | \$0.00 | \$0.00 |
| Sub-Total: COM | \$8,950.00 | \$2,988.00 | \$8,700.00 | \$8,700.00 |
| [Retreat Net Cost] | | \$563.00 | | |
| PREPARATION FOR MINISTRY | | | | |
| Psychological Assessment | \$4,000.00 | \$4,935.00 | \$4,000.00 | \$4,000.00 |
| PA Reimbursed Costs | \$0.00 | (\$1,465.00) | \$0.00 | \$0.00 |
| Candidate Travel | \$2,500.00 | \$500.00 | \$1,500.00 | \$1,500.00 |
| Committee meetings/retreats | \$1,000.00 | \$16.00 | \$1,000.00 | \$1,000.00 |
| Candidates Financial Aid/Counseling | \$2,000.00 | \$0.00 | \$2,000.00 | \$2,000.00 |
| Scholarships | \$3,000.00 | \$3,000.00* | \$3,000.00 | \$3,000.00 |
| Contingency | \$1,000.00 | \$0.00 | \$500.00 | \$500.00 |
| Sub-total CPM | \$13,500.00 | \$6,986.00 | \$12,000.00 | \$12,000.00 |

*Plus \$4,500 from Candidate Scholarship Fund from Ordinations and Installations

| PROJECTED 2012 Budget | | | | | | | | | | | | | |
|--|------------------------|-----------------------------|--------------------|----------------------------|-------------------|-----------------|----------------------|----------------|---------------|---------------|---------|----------|---|
| | | | | | | | | | | J | K | L | M |
| STAFF RELATIONS - | | | | | | | | | | first \$7,000 | | | |
| | | | | | | | | | | FICA | SUI/ETT | W/C | |
| Position | Name | %Time | Salary/ Housing | Pension and Med Benefit | Medical Reimb. | Travel/ Auto | Expense Allowance | Study Leave | Total Comp | 7.65% | 3.0% | 1.29% | |
| ADMINISTRATIVE/PROGRAM STAFF: | | | | | | | | | | | | | |
| Executive Presbyter | Steve Yamaguchi | 100 | 104,000.00 | 33,540.00 | 3,000.00 | 8,500.00 | 4,500.00 | 3,500.00 | 157,040.00 | 0.00 | 0.00 | 1,341.60 | |
| Stated Clerk/APP | Keith Geckeler | 100 | 82,500.00 | 26,606.25 | 2,000.00 | 3,000.00 | 3,000.00 | 1,000.00 | 118,106.25 | 0.00 | 0.00 | 1,064.25 | |
| Associate Pres Pastor | Tom Cramer | 100 | 80,000.00 | 25,800.00 | 2,000.00 | 4,500.00 | 3,000.00 | 1,000.00 | 116,300.00 | 0.00 | 0.00 | 1,032.00 | |
| (1)special comp | Steve Yamaguchi | | | 6,900.00 | | | | | | | | | |
| SUPPORT STAFF | | | | | | | | | | | | | |
| Acct. & Bus Manager | Kathy Long | 100% through 3/31, 75% rest | 55,250.00 | 17,818.13 | 1,000.00 | | | | 74,068.13 | 4,226.63 | 210.00 | 712.73 | |
| Executive Secretary | Elvira Ortez | 100 | 51,000.00 | 16,447.50 | 1,000.00 | | | | 68,447.50 | 3,901.50 | 210.00 | 657.90 | |
| Admin Coordinator | Bonita Carr | 100 | 60,690.00 | 19,572.53 | 1,000.00 | | | | 81,262.53 | 4,642.79 | 210.00 | 782.90 | |
| Contract consultants | Tom Dykhuizen | contract | 25,000.00 | 0.00 | 0.00 | | | | 25,000.00 | 0.00 | 0.00 | 0.00 | |
| Contract consultants | Jill Nagasugi | contract | 25,000.00 | 0.00 | 0.00 | | | | 25,000.00 | | 0.00 | 0.00 | |
| | | | 483,440.00 | 146,684.40 | 10,000.00 | 16,000.00 | 10,500.00 | 5,500.00 | 665,224.40 | 12,770.92 | 630.00 | 5,591.38 | |
| BUDGET SUMMARY | | | | | | | | | | | | | |
| ===== | | | | | | | | | | | | | |
| Reference Col | | | | | | | | | | | | | |
| G | | | | | | | | | | | | | |
| Compensation Total | | | | | | | | | | | | | |
| J20 665,224.40 | | | | | | | | | | | | | |
| PRESBYTERY PORTION OF FICA ON NON-ORDAINED STAFF (7.65%) | | | | | | | | | | | | | |
| K20 12,770.92 | | | | | | | | | | | | | |
| STATE UNEMPLOYMENT INSURANCE TAX (3.0%) | | | | | | | | | | | | | |
| L20 630.00 | | | | | | | | | | | | | |
| WORKERS COMPENSATION INSURANCE (ESTIMATED BILLING AT \$1.29 PER \$100 SALARY) | | | | | | | | | | | | | |
| M20 5,591.38 | | | | | | | | | | | | | |
| CONFERENCES - PROGRAM STAFF | | | | | | | | | | | | | |
| Line Item 9,000.00 | | | | | | | | | | | | | |
| EDUCATION/CONFERENCES - SUPPORT STAFF | | | | | | | | | | | | | |
| Line Item 2,000.00 | | | | | | | | | | | | | |
| EXTRA OFFICE HELP/OVERTIME | | | | | | | | | | | | | |
| Line Item 500.00 | | | | | | | | | | | | | |
| ON GOING STAFF SUPPORT | | | | | | | | | | | | | |
| Line Item 200.00 | | | | | | | | | | | | | |
| TRAVEL REIMBURSEMENT FOR SUPPORT STAFF | | | | | | | | | | | | | |
| Line Item 1,000.00 | | | | | | | | | | | | | |
| COMMITTEE EXPENSES | | | | | | | | | | | | | |
| Line Item 500.00 | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | |
| sum G25-G35 697,416.70 | | | | | | | | | | | | | |
| (1) special comp.= One time BOP liability from income from Shared Equity Agreement settlement | | | | | | | | | | | | | |