

## CHERRY LOG CHRISTIAN CHURCH: FINANCIAL OVERVIEW

July 30<sup>th</sup> Meeting – Presented by Ted Murphy and the CLCC Finance Committee

### I. Trends in Membership, Revenues and Expenses

- Decline in **membership** of 22% since 2010 ( **from 328 to 256** )
- **Revenues: Tithes and Offerings** ( down 3.5% from 2010; about 10% from 2011)  
Good news? We stepped up giving this year; Multi-year decline seems to be bottoming out.
- **Total Revenues versus Expenses 2010-2014**  
Looking at the last 4.5 years: **Living beyond our means**

**First 2 years** about **\$150K** due to higher mortgage interest rates

**Last 2.5 years**; we look OK: total revenues exceed expenses by \$8,700

However, back out the one-time asset sale in Oct 2012 of \$62,310 and expenses outstrip total revenues by another \$53,610 ; more than \$ 200K in 4.5 years

### III. Where are we now?

- Balance sheet: very little cash on hand, reserves low, designated funds that we cannot use to help with critical cash flow.
- Latest forecast for last six months: total revenues should meet expected expenses. This will need to include rental income that normally goes into reserves.
- Still having periodic cash flow issues during summer months.

### III. How/Why is this happening?

- Looking at 2014 actual versus budget shows that **we are within the budget in our spending. But Tithes and Offerings** are about \$22K below what was budgeted (almost 8%)
- Also there have been more than **\$7000 in non-budgeted/unexpected** expenses such as well and water issues, consultation of Bryan Hatcher during David's sabbatical, and other items.
- **Financial Structural issues:**
  - **40-45%** of budget is **building related** (averages are in the 20-30% range)
  - **40-43%** of budget is **personnel related** ( averages are 40-50%; lean 35%)
  - So, the **800 pound gorilla** in the room is our mortgage
  - **These issues, magnified by membership declines**, limit our ability for "doing", the key to attracting new members and to our spiritual health.

This all sounds pretty gloomy, but this is a church of doers!...so what are we going to do about it?

#### IV. Financial Objectives

1. To **eliminate short-term cash flow problems; buy time** for longer-term solutions
2. **To rebuild reserves** for the inevitable expense increases (planned and unplanned)
3. To generate revenues at least **5% (preferably 10%)** above yearly needs to fund “Doing”
4. **To gradually move the cost structure** to a more reasonable one (building and Personnel-related expenses totaling no more than **70-75%** of total revenues)

#### V. Sounds great, but how to we accomplish these goals? Strategies

- Balance of this year, use **low/no cost ideas to help cash flow and rebuild reserves**; buying some time for longer-term solutions to our membership and funding structure issues.
- **2015 and beyond**, create programs that tackle **the 800-pounder in the room** ( mortgage **debt**), and create long-term fund sources for **“doing”**...and attracting new members.
- **Importantly**, find ways to raise money from both **current members** and those currently **outside** our church...**while keeping an eagle eye on our expenses.**

**So, let’s take a look at some of the revenue increasing programs that the finance committee has been looking at....**as we review these, please understand that these are a starting point....we **want to encourage other ideas, questions...and most of all participation**, because we all need to get behind whatever we do...and we’ll be needing some folks to champion ideas....to help make them happen.

#### VI. Rest of 2014:

- **Thirteenth month**  
This is the one short-term program that buys us time for longer-term solutions. For those of us who have committed to giving, this adds one more month to that giving. If everyone does this, could raise \$40-\$45K by the end of this year.
- **CLCC Yard Sale**  
To coincide with the Cherry Log Festivals, on Oct 4, CLCC will play host to vendors who want to sell items; also will sell food/drink; hope to raise **\$1000-\$1500**  
The champions for this project are **Malinda Geers and Sharon Meek**
- **CLCC Fashion Show**  
In November, **Lynette Nelson** will head up a ladies fashion show project featuring local merchants; tickets will be sold and we hope to raise **\$1000-\$2000**
- **CLCC Wedding Venue**  
**Caroline Carder, Malinda Geers and Sharon Meek** will be working on a comprehensive plan to generate some funds using our great facilities here by increasing its use for

weddings; short-term funds from this activity may be limited, but longer-term, this program has the potential to generate \$5000-\$10,000 annually, helping get some return on our great facility and repay our mortgage faster.

- **CLCC Silent Auction** (NOTE: Tom Mitchel; Handmade birch bark canoe \$2000)  
We ( and people/businesses we know) all have items or services we can donate to be “auctioned “ off this fall; ( give examples ); current plans call for marketing to start **online** sometime in **September**, with the final auction happening on **Oct. 4<sup>th</sup>**, when lots of folks are in Cherry Log for the festivals and our yard sale. **Caroline Carder** has consented to head this project, with support from **Ted and Leslie Murphy**. We need lots **more help** here, so please step up. With proper support, this has the potential to raise **\$5000-\$15,000**. NEED LOTS OF HELP HERE ASAP!

**Taken all together**, these 2014 programs have the potential to raise between **\$20,000 to \$65,000 this year**....if we all get behind them and make them happen....which will buy us the time we need to get longer-term programs in place.

## **VII. Longer-term Programs( 2015 and beyond)**

- **Business Partnerships**  
Consider everything from percentage donations for purchase to specific-cause donation canisters to helping market CLCC special events. Identify current members who own/know owners for ideas/feasibility
- **Mother’s Morning Out**  
Take advantage of the lack of daycare facilities by catering to mother’s need for time off/errands; create another income stream from our building by focusing on short-term baby-sitting needs
- **CLCC Annual Fund-raising Event**  
Create an annual event that CLCC “owns”, creates “buzz” and generates funds from the whole community, (like cookie walks and annual flea markets)

North Georgia Christian Music or Christian Choir Festival (similar to what we did several years ago with the fall music festival)

North Georgia **Folk Art** Festival

North Georgia **Nature Photography Contest**

North Georgia **Woodworking Festival**

**Dream car raffle**

Other?

Need ideas...and a Champion!

- **CLCC Chalice Challenge (Lever our special, memorable name)**  
Create and make available a special, hand-made chalice made from cherry wood which is only available by donating a special one-time amount, increasing one’s giving by a certain amount over current levels, or bringing in and signing up “X” new members.
- **Legacy Program and Appreciated Stocks/Assets**

Need to educate members about the tremendous tax advantages of donating appreciated assets; a win-win for both the donator and CLCC; also need more focus on our Legacy program, wherein CLCC is included in one's will.

- **CLCC Services Group**

Lever the expertise of CLCC's more experienced membership by forming a consultant/services group and offering consulting and services to small businesses and the general public. Some possible consulting areas, dependent upon those willing to volunteer time, **include business strategy/tactics, accounting, marketing, estate planning, gardening, legal, wedding planning, creative writing, cooking, household budgeting, investing, music, and insurance.** Businesses or people benefiting from the services would be told they can **pay whatever they think the services were worth...from zero, up.** **This idea works at two levels:** CLCC gets more "doing" in the community, thus acting as a great advertisement for joining our church, and it generates funds. Yes, a few people will take services and not pay; but they will be more than compensated for by the bulk of people who will tend to pay more than normal. Done right, this sort of **"pay it forward" /"give something back"** consulting group has the potential to generate regional or even national press. Keys will a memorable name and great success stories.

- **Marketing CLCC ( work with Steve Martin and Evangelism Council)**

To better **determine and market CLCC's strengths (tolerance, healing, friendliness/warmth/family, music, "doing"?)** to our primary target market to increase membership. Why should I come to any church? Why specifically CLCC? (on website now) Detailed effort needed here to **refine CLCC's strength's, target market and strategies/tactics.** **One key will be to find "doing" opportunities that appeal/involve our target market and our membership.** Marketing a church group is the **hardest thing to do right**, yet it is another key to CLCC's long-term success.

- **All these programs ( and others ) are key to building CLCC's membership...**

And that is **the REAL long-term solution** to our **financial problems....and more importantly, our reason for being**

### **CONCLUSION**

Cherry Log has never complained and moaned when the darkness of challenges have befallen us. We can decide to live in the darkness or we can begin to light some candles. CLCC is a church of candle-lighters...so let's get busy lighting!