



Elders Meeting 9/12/16

Attendance

T. Perkins, A. Stafford, D. Dunnam, E. Meyers, E. Allen, T. Thompson, H. Dean, John Fralick, J. Roberson, M. Loolara, A. Hunter

Audit Report – Chris Johnson was present from Phil Hebert, CPA, A Professional Accounting Corporation and handed out prepared Financial Statements for GSBC that consisted of our financial statements as of 12/31/15. The report consisted of the following sections:

- Independent Auditor’s Report (pg.2)
- Financial Statements
 - Statement of Financial Position (pg. 5)
 - Statement of Activities (pg.6)
 - Statement of Cash Flows (pg. 8)
- Notes to the Financial Statements (pg. 9)
- Communication of Material Weakness (pg. 16)
- Schedule of Prior Year Audit Findings (pg. 18)
- Schedule of Current Year Audit Findings and Recommendations (pg. 19)

The overview by Chris included discussion on the **Statement of Financial position** (pg.5) “Assets” and mentioned a line item of “Investments” that included an Edward Jones **investment** given to the church back in 2014 (\$23K). Also noted were our **total assets** of (\$6.065 mm) and **our Current Portion of Debit** (\$249K) our **Total Current Liabilities** (\$499) **Long Term Portion of Debt** (\$4.2 mm) and **Total Liabilities** set at (\$4.7 mm). **Net Assets** totaled (\$1.3 mm). Under our **Statement of Activities** it was noted that revenues decreased \$114K (pg. 6) from previous year 2014 and our expenses decreased by \$53K (pg. 7). **Statement of Cash Flows** (pg. 8) reported a Change in Net Assets of \$226K, Purchases of Property and Equipment (-\$68K), Repayment of Debt (-\$386K), Net Decrease of Undesignated, Cash and Cash Equivalents (-\$39). Beginning of the year was (\$362K) and the End of the Year (\$323K). **Notes to the Financial Statements** (pg. 13) Net capital Assets are (\$5.534 mm). Notes Payable (to BOZ) was mentioned and reduced from \$4.871 mm in 2014 to \$4.485 in 2015. It was also noted that we would have a “Balloon payment” due in 2019 of approx. \$3.843 mm (pg. 14). **Construction of Material Weaknesses** was mentioned (pg. 16) in the report as well and found to be insignificant. **Audit Findings** (pg. 19) mentioned the need to capture “all” credit card receipts. Out of 66 receipts, 12 were missing. Recommendations were made for improvement in this area. It was also mentioned that a records retention policy needed to be instituted with tuition payments receipts at the ELC. We need to be keeping receipts for at least 3-5 years.

Review of the Financial Statements for GSBC will be made available for review in the church office if church members are interested.

Devotion & Prayer – Bro. Tony

Revelation 3:7 - ⁷ “And to the angel of the church in Philadelphia write, ‘These things says He who is holy, He who is true, “He who has the key of David, He who opens and no one shuts, and shuts and no one opens”’.^[a] ⁸ “I know your works. See, I have set before you an open door, and no one can shut it;^[b] for you have a little strength, have kept My word, and have not denied My name. ⁹ Indeed I will make *those* of the synagogue of Satan, who say they are Jews and are not, but lie—indeed I will make them come and worship before your feet, and to know that I have loved you. ¹⁰ Because you have kept My command to persevere, I also will keep you from the hour of trial which shall come upon the whole world, to test those who dwell on the earth.

- Philadelphia – the city of love. Very loving.
- Can’t hide from Jesus
- We have an open door at this time here at GSBC that no one can shut
- We have kept His word and have not denied His name
- There is an open door to us and it has been opened to us.
- We’ve kept His word and have not denied His name.
- We need to continue diligently moving forward in love with the activities that the Lord has for us here during this time of community restoration.

Financial Update

Ms. Amy Hunter presented and reviewed the financials for the month of August.

- General Fund = \$170K – Designated= \$121K = ELC \$15K
- Month Expenses = \$196K, Giving = \$179 Variance = (\$11K)
 - Expenses include August payment to BOZ for principal on note and interest expense.
- Current Building Note – \$4,236,406
- Reviewed Monthly Bank Statements, P&L, Income Statement, as well as Offering Statement YTD.
- Offering was \$32K this past week (Sunday 9/11) not including mail in and online payments. Previous week \$55K.

Contingency Plan

- **BOZ Loan Payment** – Received document from BOZ that confirmed that we can make interests payments in the months of Sept, Oct and November. The amounts will be deferred into the balloon payment. We will look at this at a 90 days period and may go back to BOZ for further discussion if needed.
- **Samaritans Purse (SP)** – SP will be paying GSBC \$10K per month to GSBC for the use of the lodging space here for their volunteers.

- **Operating Expenses** – Bro Tony provided for the group a spreadsheet that is a breakdown of the current operating expenses and payroll. The total was \$48,882 per week. Bro Tony believes that the budget is doable at the \$48,800 amount

Worship Service Updates – We will go back to an 8:00 AM and 10:30 service starting 9/18. We will wait on Sunday nights at this time and may move to doing a Wed night service in the near future.

Relief Activity Update

- **Long Term Goals (Help In the Rebuild)** – Bro Tony discussed assisting the widows and the elderly with the rebuilding phase. It will be necessary to provide housing (as discussed in previous meetings) for those volunteers that come in through SP. This will include housing for (4) couples that are considered the leadership and (40) volunteers. There will be separate quarters for each group. We will not be able to provide the housing in our Sunday School (SS) space. Although will not anticipate having SS until the end of the year the priority is to come up with a longer term housing arrangement. Discussed the potential for (4) “cabins” in the form of prefab buildings, near the pond area that we can use afterwards. We will be talking to the Mayor about permitting as well as determine the peptic and power that will be needed. With the “volunteer team” housing we may looking at a double wide building or possibly sea cans into housing.
- **Student Building / Kitchen / Education Building** – the insurance adjusters confirmed that the damage is <\$50K on the Youth Building. The deductible on this building is \$50K therefore we will have to bear the expense. We are looking at another organization that may come in and provide the management and labor while GSBC would provide the materials. We discussed first starting on the Youth Building while a 2nd phase would be on the kitchen. The kitchen situation is stabilized at this time. The Education Building would be the 3rd phase. The deductible on the Education Building is \$50K and insurance will \$170K. There are a number of issues with this building and we are also in need of a roof replacement due to design. We will look to bring in a contractor when we can to look at the cost of replacing the roof as well as assess the overall condition on the building. Really need a metal type building. This is a cinder block construction from the 70’s.
- **Samaritan’s Purse** – 200 homes gutted thus far and 756 assessments as of Friday. Everything going very well overall with SP.
- **Relief Funds**
 - **Expenditure’s** – we currently have \$540K in the form of relief funds. We do expect more monies to come in. Bro. Tony would like to issue the staff an appreciation gift in the form of \$7K distributed within the group. We are also

looking at a utility vehicle for the property that would replace the golf cart set up that we have.

GSBC Food Pantry – A decision has been made to distribute supplies on Sunday's only. We will make supplies available after the 8:00 AM and 10:30 services. This will not be open to the public. Bro Tony shared that he feels that there will be a continued need in this area for the foreseeable future. Food items and other supplies could make the difference for folks that have incurred additional expenses as a result of the flood damage. We will be looking at maintaining a food pantry for members that need assistance.

- **Space Allocation** - We will be looking at an alternate location rather than the south hallway. We discussed moving the library to an upstairs location and potentially using the library as a future food pantry.

Pastor Search – Bro Tony shared a letter with the Elder Board that addressed our current PST initiative. He has felt the sense of responsibility and obligation for the well-being of the church and church body during these changing times. He also shared and expressed several areas of concern with the Elders if we continue moving forward with the search:

- Given the visibility and national notoriety that GSBC has received during this time, he was concerned that some candidates may be attracted to GSBC because of this exposure (while it may not be a conscious decision) and could see GSBC as a stepping stone rather than a place that needs a long-term pastor that will shepherd and care for the people.
- The church's financial picture in the wake of the flood could be very challenging. Currently, our giving is falling short of the projected revenue needed to meet the budget. Hiring a full-time senior pastor will require about three times the compensation the church is providing and only exacerbate the financial shortfall.
- The possibility of a second phase of the relief effort that will be focused on rebuilding homes of the widows and seniors in our community is a very real possibility. To date we have raised over \$500k for the relief effort. This rebuild, according to Franklin's team will be about an 18-24-month project.
- In the midst of all the uncertainty our people are facing it would be helpful for them to have stability in the church. He does not think it is healthy for the body right now to feel as if there could be yet another change in their lives at any moment.

It was suggested that the Elders recommend to the church that the search committee be suspended for 12 months or until we have completed the partnership with Samaritan's Purse. After 12 months, we should reevaluate the emotional health and strength of our members before re-launching a search for a new pastor.

The Elders agreed to be in prayer about this over the next several days and reconvene on the subject in a Thursday evening (9/15) meeting.

Closing Prayer