



The Presbytery of Prospect Hill

Meeting Packet
for the Called Meeting of the
Presbytery of Prospect Hill



June 8, 2024

Lakeside Presbyterian Church
Storm Lake, Iowa

DOCKET

**Presbytery of Prospect Hill Called Presbytery Meeting
Lakeside Presbyterian Church
June 8, 2024**

8:30 a.m. Registration, Gathering, Coffee, & Fellowship Time

9:45 a.m. Call to Order with Prayer and Land Acknowledgement

Michael Gewecke

Welcome by Host Church and Worship

Jennifer Olson

Intentional Group Discussions: *10:15 a.m., 11:00 a.m., 11:45a.m.*

- *Financial Health*
 - *How has your congregation's giving changed over the last 10 years? Have you conducted a financial survey of the next 10 years?*
- *Energy, Creativity, and Change*
 - *How often does your congregation do something new? What barriers stand between you and growth?*
- *Community Engagement & Commitment to Mission –*
 - *If your congregation was gone tomorrow, what would be missing in your community? And if your congregation was gone tomorrow, how would it affect God's mission in the world?*

12:30 p.m. Order of the Day ~ Lunch

1:15 p.m. Plenary Discussion – *Bringing together the conversations in the morning*

2:30 p.m. Presbytery Meeting - Call to Order

- Statement of Quorum by the Moderator
- Approve Excused Absences
- Intention to Introduce New Business
- Approve Docket

Presbytery Finance Overview

Bill Bruce

New Business

Adjournment

The **Iowa Presbyterians Gathering** will be
Saturday, August 24, 2024

The next stated meeting of the Presbytery of Prospect Hill will be
Saturday, October 26, 2024
at Lakeshore Center at Okoboji

Presbytery of Prospect Hill

Statement Of Financial Recurring Activities: 2023

PPH

Recurring

Operating Support

Per Capita	151,826
Synod	10,000
Interest Income	3,028
Shared Mission	34,154

<u>Total Support</u>	<u>199,008</u>
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Recurring Expense

Operating Costs

Per Capita: GA/Synod	67,182
UPP	115,484
All other Costs	22,333

<u>Sub-total</u>	<u>204,999</u>
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Recurring Expense

Mission & Ministry

Camp Support	21,227
M&M	7,600
All Other	5,000

<u>Sub-total</u>	<u>33,827</u>
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<u>Total Expenses</u>	<u>238,826</u>
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Recurring Operations Net

<u>Net Income (Loss)</u>	<u>(39,818)</u>
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Non Recurring Income

UPP Refund	28,350
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<u>Net Income (Loss)</u>	<u>(11,468)</u>
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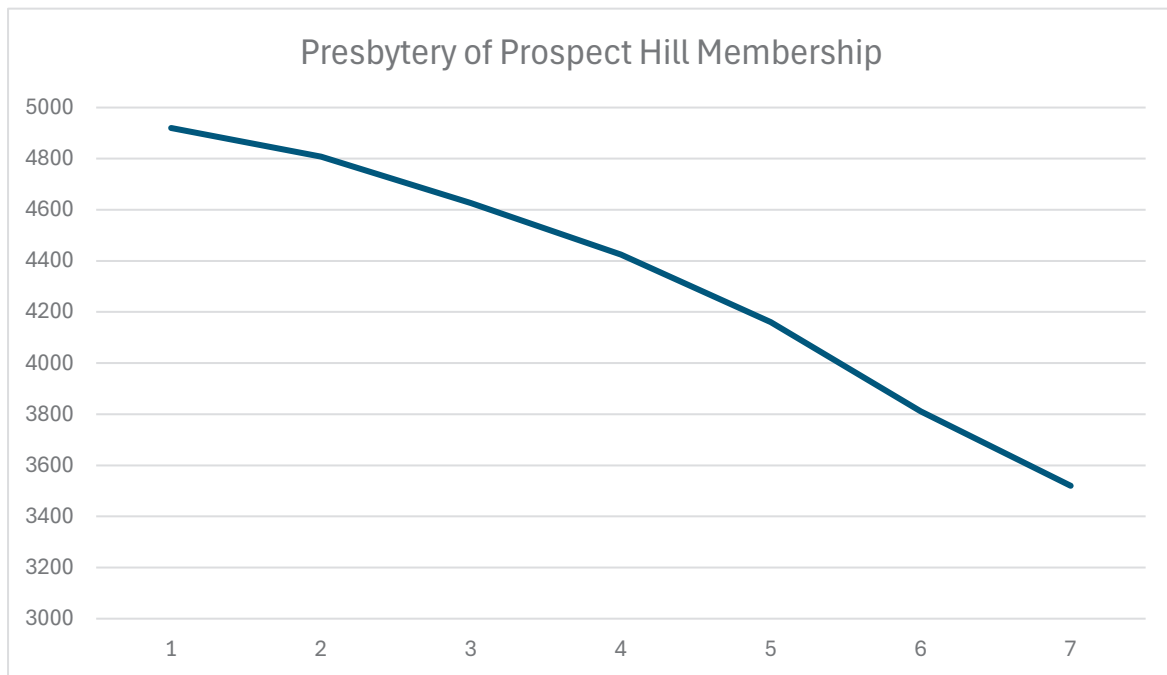
Presbytery of Prospect Hill

12-31-2023 Balance Sheet Compilation

Assets	PPH
Cash/Cash Equivalents	200,000
Investment: Unrestricted	421,239
Investment: Restricted	215,063
Accounts Receivable	30
Property	0
Total Assets	<u>836,332</u>
Liabilities	
Accounts Payable	2,407
Pass Thru Payables	7,541
Long Term Debt	0
Total Payables	<u>9,948</u>
Net Assets (Equity)	826,384
Liabilities + Equity	<u>836,332</u>

Presbytery of Prospect Hill Active Member Analysis

	<u>Year</u>	<u>Members</u>	<u>%/Year</u>
Actual	2017	4920	
Actual	2018	4808	-2.28%
Actual	2019	4626	-3.79%
Actual	2020	4425	-4.35%
Actual	2021	4160	-5.99%
Actual	2022	3811	-8.39%
Actual	2023	3520	-7.64%
<u>Decline % Per Year Average</u>		<u>4.74%</u>	



Presbytery of Prospect Hill

2023 Review

Current Position at year end: 12-31-2023

- Membership
 - Based on receipts the Per Capita for 2023 fell short of the budget of \$188,419 by \$36,593. This shortfall was primarily due to the lack of contributions of 10 churches. This includes about 1,000 active members in the Presbytery of Prospect Hill (about 30% of total active membership).

The total number of churches is 37.
 - For PPH local church active membership has declined an average of 4.74% per year for the period from 2017 through 2023.
- Statement of Financial Position (Balance Sheet)
 - At 12-31-2023 the Statement of Financial Position (Balance Sheet) for PPH shows total assets of \$836,332 with \$621,000 in unrestricted/cash accounts, \$215,000 in restricted accounts and about \$10,000 in accounts payable.
- Statement of Financial Activities (Receipts and Expenditures)
 - At 12-31-2023 PPH had Total Support for the year of \$199,008 with Total Expenses of \$238,826 which created a loss of \$39,818.
 - The PPH loss was decreased by an accumulated return of cash from UPP totaling \$28,350. This reduced the 2023 loss to \$11,468. This return of cash was considered extraordinary and is not expected in 2024.

**Presbytery of Prospect Hill
10 Year Sustainability Projection**

Years	Reference Data		Support			Recurring Operating Cost			Mission & Ministry		
	Estimated Members	Total Per Capita	Per Capita	Synod	Unrestricted Interest	Shared Mission	UPP*	All Other Costs	Lakeshore Support	M&M	All Other
2024	3353	53.95	164,483	10,000	23,168	34,154	117,794	23,115	27,809	29,372	5,000
2025	3194	54.76	153,771	10,000	22,012	32,535	120,150	23,924	26,083	27,980	5,000
2026	3043	55.58	148,267	10,000	20,072	30,993	122,553	24,761	25,096	26,654	5,000
2027	2899	56.41	142,963	10,000	17,595	29,524	125,004	25,628	24,148	25,391	5,000
2028	2761	57.26	137,851	10,000	14,550	28,124		26,525	23,237	24,187	5,000
2029	2630	58.12	132,925	10,000	18,119	26,791		27,453	22,360	23,041	5,000
2030	2506	58.99	128,177	10,000	22,114	25,521		28,414	21,518	21,948	5,000
2031	2387	59.88	123,601	10,000	26,526	24,312		29,408	20,708	20,908	5,000
2032	2274	60.77	119,191	10,000	31,299	23,159		30,438	19,929	19,917	5,000
2033	2166	61.69	114,941	10,000	36,472	22,062		31,503	19,180	18,973	5,000

Years	Total		Total Mission Net Gain	
	Support	Operating Cost	Recur	Ministry (Loss)
2024	231,805	211,511	62,182	(41,887)
2025	218,318	213,549	59,063	(54,294)
2026	209,332	214,298	56,750	(61,717)
2027	200,082	214,706	54,539	(69,162)
2028	190,525	90,381	52,424	47,721
2029	187,835	85,761	50,401	51,673
2030	185,812	82,270	48,466	55,076
2031	184,439	80,712	46,616	57,111
2032	183,649	79,309	44,846	59,494
2033	183,474	78,058	43,153	62,263

UPP* Constant 2% Increase

Per Capita Increase: 1.50%
Historical Default: 20%
Membership Decline/Year: -4.74%

Lakeshore Covenant:
14% of Per Capita & Mission
UPP Covenant: Ends 2027

Per Capita Increase %
GA \$9.80 1%
Synod \$5.50 1%
PPH \$38.65 1.50%

Presbytery of Prospect Hill

2024 Expectations

- With projected membership loss (-4.74%) along with the historical per capita participation rate at 80% the projected loss for our Statement of Financial Activities (income statement) will be \$41,887. Details creating this loss include:
 - Decline in active members estimated at 4.74% DECREASE.
 - In preparation of this projection review of historical documents showed two covenants of PPH to fund:
 - The 2024 (annual) UPP support obligation at \$117,794
 - NOTE: The UPP Covenant increases at 2% per year through 2027. As of the preparation of this analysis no allowance is made for Presbytery Leadership or support after 2027.
 - A perpetual covenant to pay (at minimum) to the Lakeshore Center 14% of the total unrestricted revenue.
 - NOTE: this is defined in the Covenant as the total of actual amounts received from per capita and mission annually.
 - A “Covenant” is typically defined as follows:
 - A **covenant** is a formal, solemn, and binding agreement between two or more parties. It can take the form of a written contract or promise, often under seal, outlining specific actions or restrictions.
 - For 2024 other impacts on total cash received include:
 - Synod Donation: Expected to be \$10,000.
 - Investment (interest earnings) Income:
 - About \$23,000 in 2024.
 - NOTE: This is not guaranteed every year. The average over a long term is calculated to be a 5.5% return on investments.
 - Shared Mission Contributions:
 - This is money received and spent each year for various contribution campaigns.
 - The total projected is about \$34,000.

Presbytery of Prospect Hill

10 Year Projection: 2024-2033

SUPPORT/CONTRIBUTIONS

Membership:

- Ongoing decline of -4.74% per year with 2033 declining to 2,166 active members in 2033 for the Presbytery of Prospect Hill.
 - NOTE: Pre-covid the average decline was -3.035% per year for 2018/2019.
- Per Capita will continue to have only about 80% participation.
- Per Capita can only increase in a range from 1% to 1.5% per year.

Synod:

- Projected donation to PPH of \$10,000 per year.

Unrestricted Interest Income:

- Average percentage return is projected at 5.5% on unrestricted assets
- The annual return will vary due to the loss, or gain, at year end impacting the following year interest income returns.

Shared Mission:

- Contributions are projected at the same percentage increase/decline in relationship to PPH membership.

RECURRING OPERATING COST

GA/Synod:

- Projected average increase at 1% per year.

UPP:

- The current covenant expires at the end of 2027.
- NOTE: No funding is provided thereafter for Presbytery support/Leadership.

All Other:

- This relates to our non-labor support costs to operate the Presbytery.
- Projected to increase at 3.5% per year.

MISSION & MINISTRY

Lakeshore Support:

- This calculation is based on the perpetual covenant that requires 14% of the total of Per Capita and Shared Mission paid to Lakeshore.

Mission and Ministry (M&M)

- This represents 86% percent of total shared mission giving to various dedicated support.
- All Other:
 - This is miscellaneous restricted donations with the total in/out equal in any given year.