

201. Council on Finance and Administration

The Conference Council on Finance and Administration (CFA) remains committed to addressing issues of critical importance to the Conference's financial health. We continued to coordinate the audit and review process with respect to Conference and District accounts, thereby insuring full disclosure and accountability.

We have requested that Bishop Davis commission a task force to review the compensation of Cabinet level personnel in the Conference and to report at Annual Conference 2008.

We are also requesting that the Board of Church Development explore new methods for funding church starts as they work to achieve the Vision 2020 program.

CFA worked prayerfully and diligently to construct a recommended 2008 Conference budget that provides substantial funds for our critical ministries and programs, while acknowledging the expectations of our churches to exercise excellent stewardship of precious resources. As more churches are able to pay 100% of their apportionments, we will be able to more effectively address the needs of our various ministries and missions.

We will continue to focus on efforts to improve the efficiency of our Conference-funded programs in 2007, 2008 and beyond.

We offer thanks to our churches for their excellent stewardship and support of Conference, Jurisdictional and Denominational ministries and programs.

B. Wiley Stephens, President

201a. 2008 Council on Finance and Administration Recommendations

Administration/Personnel

1. We recommend that the Conference elect Keith M. Cox as the Conference Treasurer and Director of Administrative Services.
2. We recommend that each district continue to be responsible for funding of conference expenses for its at-large delegates. Funding levels will be at the discretion of the respective district superintendent.
3. We recommend that laity volunteers serving Annual Conference committees and task forces be reimbursed their mileage costs at \$.28/mile.
4. Funding from conference apportionments should be distributed in ways that support, enhance, and further, the ongoing ministries of the North Georgia Conference. We call upon all organizations of the Annual Conference to

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- begin a process of reviewing non-conference ministries that currently 02
 receive monies from the North Georgia Conf., with the aim of 1) 03
 Establishing guidelines that allow CF&A to categorize “conference” from 04
 “non-conference” ministries for funding purposes and 2) Encouraging non- 05
 conference ministries to begin meeting their financial obligations from 06
 sources other than the annual conference budget. 07
5. We recommend that all conference-funded ministries and programs 08
 continually review their operations to ensure that resources are being 09
 utilized as efficiently as possible. 10
6. We recommend that the Conference extend special thanks to all those 11
 persons who have served faithfully and effectively during the year. 12
7. We recommend that the 2008 housing allowance designated by Annual 13
 Conference for Cabinet-level clergy personnel be based upon the average 14
 of the highest 50 housing allowance reported at December 31, 2006. That 15
 amount is \$31,255. Further we recommend that the utility allowance for 16
 2008 for that group be set at \$5,000. 17
8. We recommend that the Bishop appoint a task force to study the setting of 18
 Cabinet-level clergy housing allowances, including the possible adjustment 19
 of the base amounts based upon district-specific circumstances, and that 20
 the findings be reported at AC2008. 21
9. We recommend that the Conference fund the expenses of two laity reserve 22
 delegates and two clergy reserve delegates for General Conference 23
 attendance. We further recommend that the Conference fund the expenses 24
 for five laity reserve delegates and five clergy reserve delegates for 25
 Jurisdictional Conference attendance. 26
- Offerings/Appeals 27
10. We recommend in addition to those observances set by the General 28
 Conference, the following special days, with offerings, but without quotas, 29
 be observed in 2008: Homeless Offering (February 24), Mother’s Day 30
 Offering for Wesley Homes (May 11), Golden Cross (August 17), United 31
 Methodist Children’s Home Work Day (September 21), Aldersgate Homes 32
 (October 26), and AIDS Awareness Sunday (December 7). 33
11. We recommend that each of the following be permitted to have one direct 34
 mail appeal for funds in 2008: the United Methodist Children’s Home, 35
 Wesley Homes, Action Ministries, and Aldersgate Homes, Inc. 36
12. We recommend that all special day offerings be scheduled through the 37
 Connectional Ministries Related Agencies Committee so as to avoid 38
 calendar conflicts. 39
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- 01 13. In order to better clarify its situation, we recommend that the Bishop
02 appoint a task force to study the capital needs and attendant fund raising
03 requirements of Camp Wesley and report the findings at AC 2008.

04 Apportionments

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06 14. We expect that clergy and each Charge will pay their apportionment in full
07 and that full-time pastors pay their benefits premiums, in full, on a monthly
08 basis.
09 15. We recommend the adoption of the apportionment formula approved at
10 Annual Conference 2006. (Please refer to the 2008 Recommended Budget
11 Interpretation for an explanation of the formula).
12 16. We appreciate the vision of the Conference in approving the initiative to
13 develop new churches, referred to as “Vision 2020.” Great things have
14 been accomplished, but due to funding considerations, we recommend that
15 the Board of Church Development explore alternative methods of funding
16 the goal.

17 Risk Management

- 18 17. We recommend that all churches and conference-related agencies ensure that
19 their internal control systems are adequate to safeguard their assets as well
20 as to insure compliance with completing an annual audit pursuant to
21 section 259(c)(4) from the 2004 *Book of Discipline*.
22 18. We recommend that all unincorporated churches explore the advantages of
23 incorporation and seek guidance from the Conference Chancellor if they
24 move to incorporate.
25 19. We recommend that local churches institute or update risk management
26 practices and procedures to protect church assets, employees and
27 volunteers.
28 20. We recommend that all churches explore membership in the United
29 Methodist Property and Casualty Trust (UMPACT), the denominational
30 insurance program. (Rate sheets for our churches are now available).
31 21. We recommend that CFA and the Conference Board of Trustees jointly
32 develop minimum insurance coverage guidelines for all churches in the
33 Conference.

34 **201b. Treasurer/Director of Administrative Services**

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36 North Georgia Conference churches continued their strong support of
37 connectional ministries in 2006. Total apportionment payments were
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\$22,079,098 a slight decrease compared to 2005. Payments to Conference and General Advances and to special offerings totaled \$1,932,369 compared to \$6,349,778 in 2005.

For the fifth consecutive year, the North Georgia Conference was the top payer of General Church apportionments, with a total paid of \$6,532,213.

For the seventh consecutive year, the Gainesville District achieved a 100% apportionment payment rate. The Griffin District achieved the second highest percentage at 98.1%. The Atlanta-Roswell District had the highest payment total, followed by Atlanta-Emory and Atlanta-Marietta.

The Treasurer's Office continues to emphasize training for local church treasurers and finance committees. We continue to utilize both district training events as well as meetings with individual churches for the purpose of interpretation and clarifying policy and procedural issues. We strive to update our website with current information, and communicate directly with local church treasurers via our email group. We appreciate and rely on feedback from the local churches to help us focus on issues that are important to them.

The Annual Conference audit and the district office reviews will be concluded prior to Annual Conference session. The Conference audit for 2005 is posted on the North Georgia Conference website, and upon the completion of the 2006 audit, it will be posted also.

Investment Summary

Conference funds are invested in accordance with the Investment Guidelines approved by the Annual Conference in 2006 and published in the Annual Conference Journal. Investment maturities and rates of return vary based on projections of cash needs, both short and intermediate term. We currently have funds invested with the GBOPHB (past service pension and retiree health insurance reserve) and the North Georgia Foundation. Funds not invested with those organizations are invested in an interest bearing account with local banks. Funds are also invested with the North Georgia Foundation and we interact regularly with Foundation staff to review our investment performance.

In 2006, the Conference earned \$3,935,000 or 13.6% on invested funds of approximately \$28,901,000 (average balance). Total investments at December 31, 2006 were \$30,317,000.

Keith Cox, Conference Treasurer
and Director of Administrative Services

201c. Schedule of Investments

**North Georgia Conference
Schedule of Investments
As of December 31, 2006**

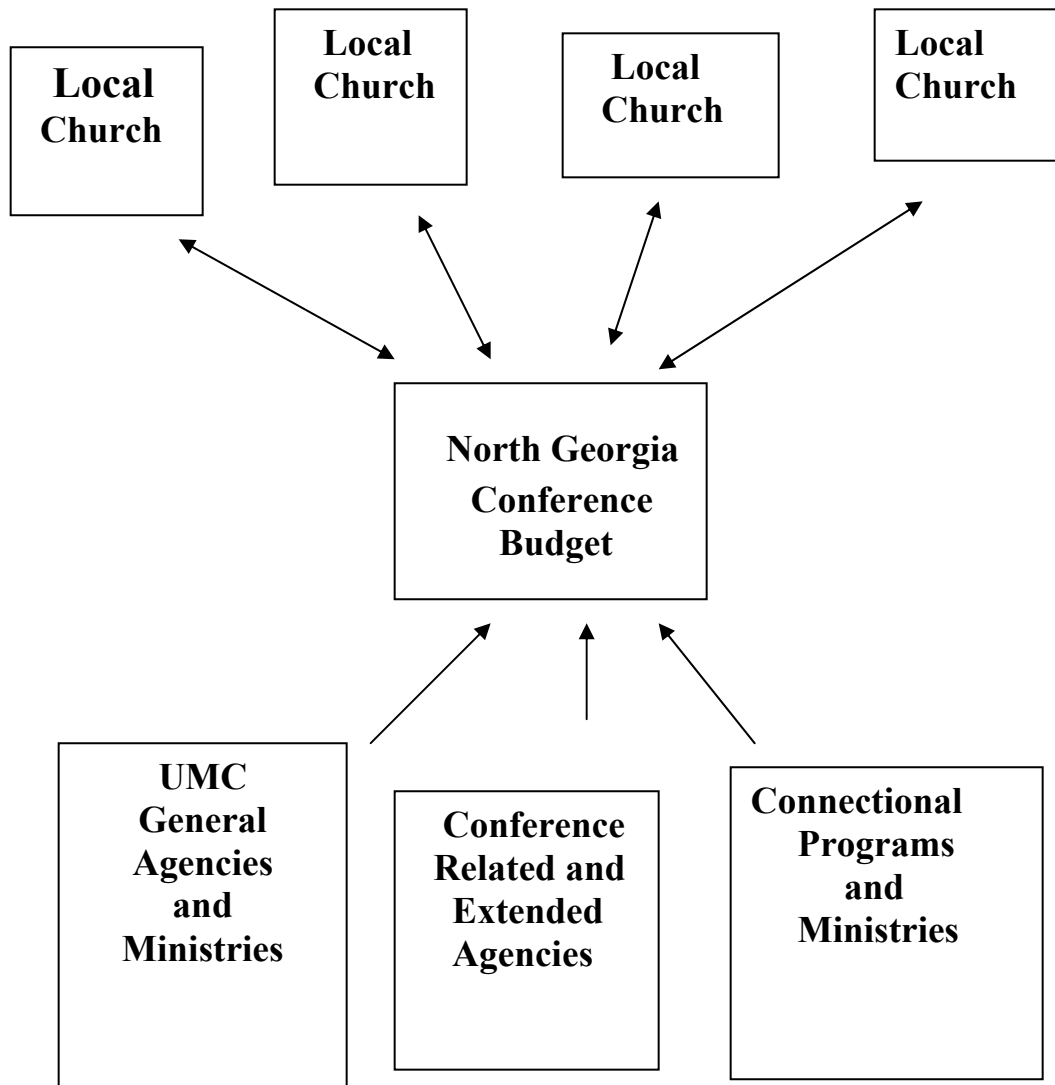
INSTITUTION	FUND	MARKET VALUE	INVESTMENT TYPE/COMPANY
RBC Centura Bank	Conference Board of Pensions and Health Benefits - Milsaps Sustentation Fund	\$ 763,151	Money market investment
General Board of Pensions and Health Benefits	Conference Board of Pensions and Health Benefits Pre 1982 Pension Fund	6,727,199	Pension Deposit Account - Multiple Asset Fund and Short-Term Investment Fund
General Board of Pensions and Health Benefits	Conference Board of Pensions and Health Benefits Superannuate Fund	144,954	Multiple Asset Fund
General Board of Pensions and Health Benefits	Conference Board of Pensions and Health Benefits - Future Retiree Medical Insurance Fund	14,677,727	HMEP Deposit Acct - Domestic Bond Fund, Domestic Stock Fund and Multiple Asset Fund
Georgia Methodist Federal Credit Union	Central Treasury	25	Certificate of Deposit
North Georgia United Methodist Foundation	Board of Trustees - Louise D. Park Eye Fund	323,028	Suntrust Investment Services Money Market Fund and Short Term Bond Fund
North Georgia United Methodist Foundation	Central Treasury	702,072	Suntrust Investment Services ("STI") Money Market Fund, STI Short Term Bond Fund, UM Foundation Fixed Income Fund and United Methodist Foundation Equity Fund
North Georgia United Methodist Foundation	Church Development	262,099	STI UM Foundation Fixed Income Fund and UM Foundation Equity Fund
North Georgia United Methodist Foundation	Church Development - Charles Barnes Endowment	61,305	STI Money Market Fund, UM Foundation Equity Fund and UM Foundation Fixed Income Fund
North Georgia United Methodist Foundation	Church Development - LAOS Fund	88,851	STI Money Market Fund
North Georgia United Methodist Foundation	Conference Board of Global Ministries - Mildred F. Butler Fund	87,276	STI Money Market Fund and STI Short Term Bond Fund
North Georgia United Methodist Foundation	Conference Board of Pensions and Health Benefits - Culpepper Fund	81,235	STI Money Market Fund, United Methodist Foundation Fixed Income Fund and United Methodist Foundation Equity Fund
North Georgia United Methodist Foundation	Conference Board of Pensions and Health Benefits - Future Retiree Medical Insurance Fund	3,789,422	STI Money Market Fund, United Methodist Foundation Fixed Income Fund and United Methodist Foundation Equity Fund

**North Georgia Conference
Schedule of Investments
As of December 31, 2006**

INSTITUTION	FUND	MARKET VALUE	INVESTMENT TYPE/COMPANY
North Georgia United Methodist Foundation	Conference Board of Pensions and Health Benefits - Milsaps Sustentation Fund	57,172	STI Money Market Fund, United Methodist Foundation Fixed Income Fund
North Georgia United Methodist Foundation	Conference Board of Pensions and Health Benefits - Retiree Needs Fund	47,765	STI Money Market Fund, United Methodist Foundation Equity Fund, United Methodist Foundation Fixed Income Fund
North Georgia United Methodist Foundation	Housing and Homeless Council - Homeless Trust Fund	758,651	STI Money Market Fund, STI Short Term Bond Fund, United Methodist Foundation Fixed Income Fund and United Methodist Foundation Equity Fund
North Georgia United Methodist Foundation	Housing and Homeless Council - Homeless Trust Fund	405,041	Purchased three year note receivable, 5.00% interest
North Georgia United Methodist Foundation	Methodist Center Sinking Fund	118,849	STI Money Market Fund, United Methodist Foundation Fixed Income Fund and United Methodist Foundation Equity Fund
North Georgia United Methodist Foundation	Ministerial Education Fund - Conference	284,191	STI Money Market Fund, United Methodist Foundation Fixed Income Fund and United Methodist Foundation Equity Fund
North Georgia United Methodist Foundation	Preachers Aid and Special Relief Fund	81,819	STI Money Market Fund and STI Short Term Bond Fund
SouthTrust Bank	Archives & History	2,434	Savings Account
SunTrust Bank	Held for the benefit of Camp Wesley Board of Trustees	726,062	Super NOW account
Vanguard Wellington Fund	Ministerial Education Fund - Conference	52,374	1,614.979 Shares
Wachovia Corporation	Conference Global Ministries	74,718	1,312 Shares
Total		<u>\$ 30,317,420</u>	

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201d. How the 2008 Budget Was Developed



1. The “General Church” sets priorities and develops programs at the General Session for a four (4) year period (the quadrennium). The current quadrennium runs through 2008. The financial support for those worldwide ministries is apportioned to the Annual Conferences, which, in turn, apportions those amounts to the local churches. For 2008 General Church Apportionments total \$7,316,356 or 29.1 % of the 2008 Conference Budget. For those members who have not traditionally attended a United Methodist or other “connectional” church, this may be a new concept. The United Methodist Church is a worldwide,

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- connectional system and every United Methodist church supports, via apportioned giving, our worldwide ministries. 01
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2. Conference-related and extended agencies, such as the Murphy-Harpst Children’s Homes, hospital chaplaincy programs, Crime Victim’s Advocacy Council, etc., present budget requests, based on their priorities, to the Related Agencies Committee of the Conference Office of Connectional Ministries. The Related Agencies Committee modified the requests based on its evaluation of the information presented and discussion with the presenters. The modified requests are included in the Connectional Ministries’ request, which was made to the Conference Council on Finance and Administration (CF&A). There are thirteen (13) different programs supported in this manner. 03
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3. Conference-based programs and ministries request funding based on their plans and priorities for the upcoming year. These plans are developed by program “conferencing” via staff as well as those serving on boards and committees, such as the Board of Church Development, the Board of Laity, the Board of Pension and Health Benefits, the Board of Outreach, etc. Representatives from the programs/ministries and their board chairpersons, if applicable, presented their requests to the CF&A on February 12, 2007. Those requests were then put in the draft budget. 13
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4. On March 12, 2007 CF&A met to prayerfully review the draft proposed budget. Due to the issues related to Simpsonwood, CF&A deferred crafting a final recommended budget until March 26, 2007. At the March 26 meeting, CF&A adjusted the draft budget based on several factors, including: budget increase compared to increases in local church expenditures; increase in the General Church budget; apportionment collection rates from prior years; feedback from the local churches, the Cabinet and other members of the Annual Conference; national and regional economic conditions, etc. 20
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5. Through a series of district “pre-Conference briefings,” Conference staff and representatives of CF&A made themselves available to the delegates to not only present highlights of the proposed budget, but to also answer questions about it. 29
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6. On the last day of Annual Conference Session, the proposed budget will be voted on by the delegates. Amendments can be offered to the budget at this time. Once the final budget with amendments has been voted on and approved, Conference staff will begin the process of apportioning the budget to the local churches. 33
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201e. 2008 Budget Executive Summary

Overall:

- Total proposed budget of \$25,150,000, an increase of \$810,000 or 3.3% over 2007 budget.
- Local church expenditures increased 3.7% for most recent period available.
- Over ten years local church expenditures increased 83%. Conference apportionments increase 65%.

Conference:

- Conference increases \$730,000 or 4.3%.
- Forecast 4% increase in Healthflex insurance premiums.
- Total compensation increases \$64,000 or 2.1%. Staff reductions offset cost-of-living increases.
- Ministerial Support/Equitable Compensation Area I increases \$40,000 or 1.8%.
- Retired Ministers Pension and Insurance increases \$344,000 or 5.2%.
 - Future retiree medical reserve set-aside increased \$150,000;
 - Pre-1982 pension funding increased \$170,000.
- Administrative budget, Area III increases \$8,000, or 0.4%.
- Conference Benevolences, Area IV decreases \$27,000 or 1.3%.
 - Action Ministries decreases \$51,000;
 - Housing and Homeless Council moves to block grant status, generating \$34,000 in savings.
- Capital Funding, Area V decreases \$9,000 or 3.1%.
 - Camp Wesley requests \$50,000 of new funding for establishment of a new campsite;
 - Camp Glisson increases \$18,000;
 - Early payment of Methodist Center loan while interest rates were low allows temporary elimination of loan payments.
- Higher Education, Area VI increases \$14,000 or 1.2%.
- Church Development, Area XII decreases \$391,000 or 15.7%.
- Funding for Simpsonwood established at \$750,000.

General Church:

- Total General Church apportionments increase \$131,000 or 1.8%.
- North Georgia was the top contributor towards General Church apportionments in 2006, exceeding Florida by \$541,000 and Texas by \$707,000.

Southeast Jurisdiction:

- Decreases \$51,000 due to elimination of Dam Restoration drive.

201f. Summary Budget Proposal

North Georgia Annual Conference
Summary Budget Proposal
For the Year Ending December 31, 2008

	2006 Approved Budget	2006 Expended	2007 Approved Budget	2008 Proposed Budget	Increase (Decrease) 06 Expd v 08	Increase (Decrease) 07 vs 08	% Chng 07 vs 08 Budget
North Georgia Conference:							
I. Ministerial Support/Equitable Compensation	\$ 2,324,397	\$ 2,233,015	\$ 2,300,065	\$ 2,339,912	\$ 106,897	\$ 39,847	1.7%
II. Retired Ministers Pension and Insurance	5,781,000	5,946,073	6,587,000	6,931,000	984,927	344,000	5.2%
III. Administrative Budget	2,098,641	1,808,756	1,975,287	1,983,576	174,820	8,289	0.4%
IV. Conference Benevolences	2,147,486	1,804,712	2,057,707	2,030,710	225,998	(26,997)	-1.3%
V. Capital Funding	358,382	322,569	275,000	266,365	(56,204)	(8,635)	-3.1%
VI. Higher Education and Campus Ministry	1,165,853	1,076,068	1,165,853	1,180,030	103,962	14,177	1.2%
XII. Church Development	2,746,195	3,055,118	2,487,563	2,096,424	(958,694)	(391,139)	-15.7%
XIII. Retreat Center	-	-	-	750,000	750,000	750,000	n/m
Total North Georgia Conference	16,621,954	16,246,311	16,848,475	17,578,017	1,331,706	729,542	4.3%
General Church							
VII. Black College Fund	537,010	495,287	523,223	509,545	14,258	(13,678)	-2.6%
VIII. Ministerial Education	1,346,334	1,202,466	1,313,985	1,279,635	77,169	(34,350)	-2.6%
IX. Interdenominational Cooperation	104,641	95,229	101,734	101,067	5,838	(667)	-0.7%
X. World Service Fund	3,725,365	3,420,270	3,818,507	3,937,299	517,029	118,792	3.1%
XI. Africa University	120,208	111,262	115,543	112,523	1,261	(3,020)	-2.6%
XIV. Episcopal Fund	949,622	873,962	981,815	1,029,685	155,723	47,870	4.9%
XV. General Church Administration	327,229	301,289	330,240	346,602	45,313	16,362	5.0%
Total General Church	7,110,409	6,499,765	7,185,047	7,316,356	816,591	131,309	1.8%
Southeastern Jurisdiction							
XVI. Jurisdictional Mission and Ministry Fund	305,637	277,401	306,478	255,627	(21,774)	(50,851)	-16.6%
Grand Total	\$ 24,038,000	\$ 23,023,477	\$ 24,340,000	\$ 25,150,000	\$ 2,126,523	\$ 810,000	3.3%

North Georgia Conference
Budgeted Salary Summary
For the Year Ending December 31, 2008

	2006 Approved Budget	2006 Expended	2007 Approved Budget	2008 Proposed Budget	Increase (Decrease) 06 Expd v 08	% Chng vs 06 Expd	Increase (Decrease) 07 vs 08	% Chng 07 vs 08 Budget
Total Compensation	\$ 3,150,110	\$ 3,039,685	\$ 3,074,062	\$ 3,138,290	\$ 98,605	3.2%	\$ 64,228	2.1%
Pension and Disability	289,939	275,532	316,490	328,869	53,337	19.4%	12,379	3.9%
Social Security	57,272	56,582	60,729	64,775	8,193	14.5%	4,046	6.7%
Health Insurance	338,552	317,677	322,978	334,089	16,412	5.2%	11,111	3.4%
Total Benefits	685,763	649,791	700,197	727,733	77,942	12.0%	27,536	3.9%
Total Compensation and Benefits	\$ 3,835,873	\$ 3,689,476	\$ 3,774,259	\$ 3,866,023	\$ 176,547	4.8%	\$ 91,764	2.4%

North Georgia Conference Summary Budget For the Year Ending December 31, 2008								
	2006 Approved Budget	2006 Expended	2007 Approved Budget	2008 Proposed Budget	Increase (Decrease) 06 Expd v 08	% Chng vs 06 Expd	Increase (Decrease) 07 vs 08	
Area I Ministerial Support/Equitable Compensation								
Resident Bishop Residence and Office [a]	\$ 62,500	\$ 57,492	\$ 64,500	\$ 87,000	\$ 29,508	51.3%	\$ 22,500	
District Superintendents Compensation	1,526,997	1,530,104	1,563,665	1,614,657	84,553	5.5%	50,992	
Equitable Compensation Fund	473,000	393,247	385,000	373,155	(20,092)	-5.1%	(11,845)	
Board of Ordained Ministry	261,900	252,172	286,900	265,100	12,928	5.1%	(21,800)	
Total Ministerial Support	2,324,397	2,233,015	2,300,065	2,339,912	106,897	4.8%	39,847	
Area II Retired Minister Pension and Insurance								
Current benefit provision	2,319,000	2,766,239	2,850,000	2,874,000	107,761	3.9%	24,000	
Future Retiree Medical Insurance Reserve	350,000	321,473	150,000	300,000	(21,473)	-6.7%	150,000	
Pre 1982 Pension Funding	3,112,000	2,858,361	3,587,000	3,757,000	898,639	31.4%	170,000	
Total Retired Ministers Pension and Insurance	5,781,000	5,946,073	6,587,000	6,931,000	984,927	16.6%	344,000	
Area III Administration								
Annual Conference Session and related	226,900	221,539	270,000	275,150	53,611	24.2%	5,150	
Treasurer and Administrative Services	584,919	532,641	575,402	589,754	57,113	10.7%	14,352	
Office of Ministerial Services and Spiritual Support	231,290	220,504	237,516	248,713	28,209	12.8%	11,196	
Office of the Executive Assistant to the Bishop and Conference Information Office	651,665	557,917	572,236	504,565	(53,352)	-9.6%	(67,671)	
CFA, Board of Trustees, Contingency	403,867	276,155	320,133	365,395	89,240	32.3%	45,262	
Total Annual Conference Administration	2,098,641	1,808,756	1,975,287	1,983,576	174,820	9.7%	8,289	
Area IV Conference Benevolences								
Connectional Ministries:								
Outreach Team [b]	293,108	259,181	297,500	314,019	54,838	21.2%	16,519	
Nurture Team	259,428	199,762	287,680	294,975	95,213	47.7%	7,295	
Witness Team	41,000	1,959	17,000	39,900	37,941	1936.8%	22,900	
Advocacy Team	74,603	45,746	63,100	46,000	254	0.6%	(17,100)	
Leadership ID & Development	25,000	(1,182)	18,225	22,500	23,682	-2003.6%	4,275	
CM Office Support	647,061	568,247	518,134	551,916	(16,331)	-2.9%	33,782	
Total Connectional Ministries	1,340,200	1,073,713	1,201,639	1,269,310	195,597	18.2%	67,671	
Action Ministries [a]	710,684	652,621	750,966	700,000	47,379	7.3%	(50,966)	
Housing and Homeless Council	64,102	54,853	64,102	30,000	(24,853)	-45.3%	(34,102)	
Ministry of the Laity [c]	31,000	23,100	31,000	30,900	7,800	33.8%	(100)	
Small Membership Church	1,500	425	10,000	500	75	17.6%	(9,500)	
Total Conference Benevolences	2,147,486	1,804,712	2,057,707	2,030,710	225,998	12.5%	(26,997)	

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North Georgia Conference
Summary Budget
For the Year Ending December 31, 2008

	2006 Approved Budget	2006 Expended	2007 Approved Budget	2008 Proposed Budget	Increase (Decrease) 06 Expd v 08	% Chng vs 06 Expd	Increase (Decrease) 07 vs 08
Area V Capital Funding							
Camps and Retreat Centers [a]	162,382	155,192	120,000	191,125	35,933	23.2%	71,125
Capital Acquisition	48,000	31,442	35,000	35,240	3,798	12.1%	240
Methodist Center Long Term Replacement Reserve [a]	40,000	36,935	30,000	40,000	3,065	8.3%	10,000
(fund balance 12/31/06 = \$126,206)							
Methodist Center Loan Payments	108,000	99,000	90,000	-	(99,000)	-100.0%	(90,000)
Total Capital Funding	358,382	322,569	275,000	266,365	(56,204)	-17.4%	(8,635)
Area VI Higher Education and Campus Ministry	1,165,853	1,076,068	1,165,853	1,180,030	103,962	9.7%	14,177
(rec'd \$39,868 in advances in 2006)							
Area XII Church Development							
Program	2,253,052	2,537,601	1,903,000	1,500,000	(1,037,601)	-40.9%	(403,000)
Office	493,143	517,517	584,563	596,424	78,907	15.2%	11,861
[office moved from Area III in 2008. See normalized Church Development below]							
Area XII Church Development	2,746,195	3,055,118	2,487,563	2,096,424	(958,694)	-31.4%	(391,139)
Area XIII Simpsonwood Conference and Retreat Center	-	-	-	750,000	750,000	n/a	750,000
Total North Georgia Conference	16,621,954	16,246,311	16,848,475	17,578,017	1,331,706	8.2%	729,542
Area VII Black College Fund	537,010	495,287	523,223	509,545	14,258	2.9%	(13,678)
Area VIII Ministerial Education Fund [a]	1,346,334	1,202,466	1,313,985	1,279,635	77,169	6.4%	(34,350)
(25% of receipts stay in conference. Fund balance decreased by \$151,256 to \$169,651 in 2006.)							
Area IX Interdenominational Cooperation	104,641	95,229	101,734	101,067	5,838	6.1%	(667)
Area X World Service Fund	3,725,365	3,420,270	3,818,507	3,937,299	517,029	15.1%	118,792
Area XI Africa University	120,208	111,262	115,543	112,523	1,261	1.1%	(3,020)
Area XIV Episcopal Fund	949,622	873,962	981,815	1,029,685	155,723	17.8%	47,870
Area XV General Church Administration Fund	327,229	301,289	330,240	346,602	45,313	15.0%	16,362
Total General Church [a]	7,110,409	6,499,765	7,185,047	7,316,356	816,591	12.6%	131,309
Southeast Jurisdiction:							
Area XVI Jurisdictional Mission and Ministry Fund [a]	305,637	277,401	306,478	255,627	(21,774)	-7.8%	(50,851)
Total Budget	\$ 24,038,000	\$ 23,023,477	\$ 24,340,000	\$ 25,150,000	\$ 2,126,523	9.2%	\$ 810,000

[a] Pass-through entity, apportionment dollars collected are designated to this fund. As such, expenditures equal receipts.

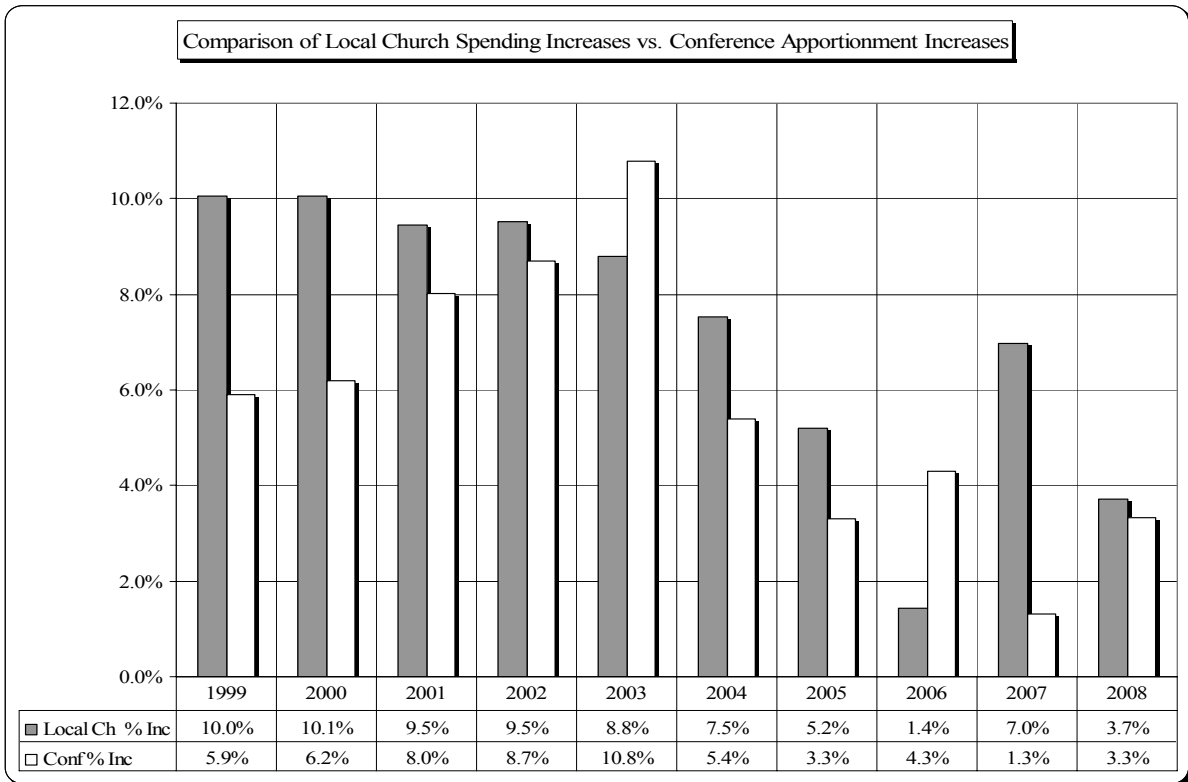
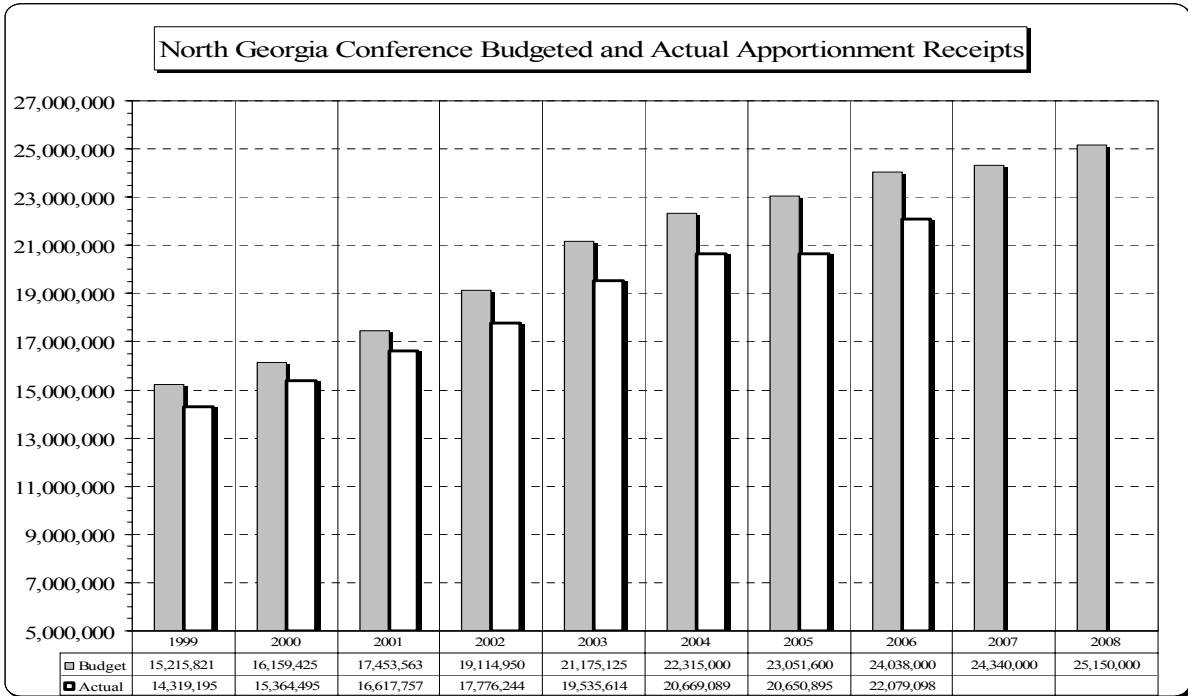
[b] A portion of this budget is designated to third party entities, see note [a]

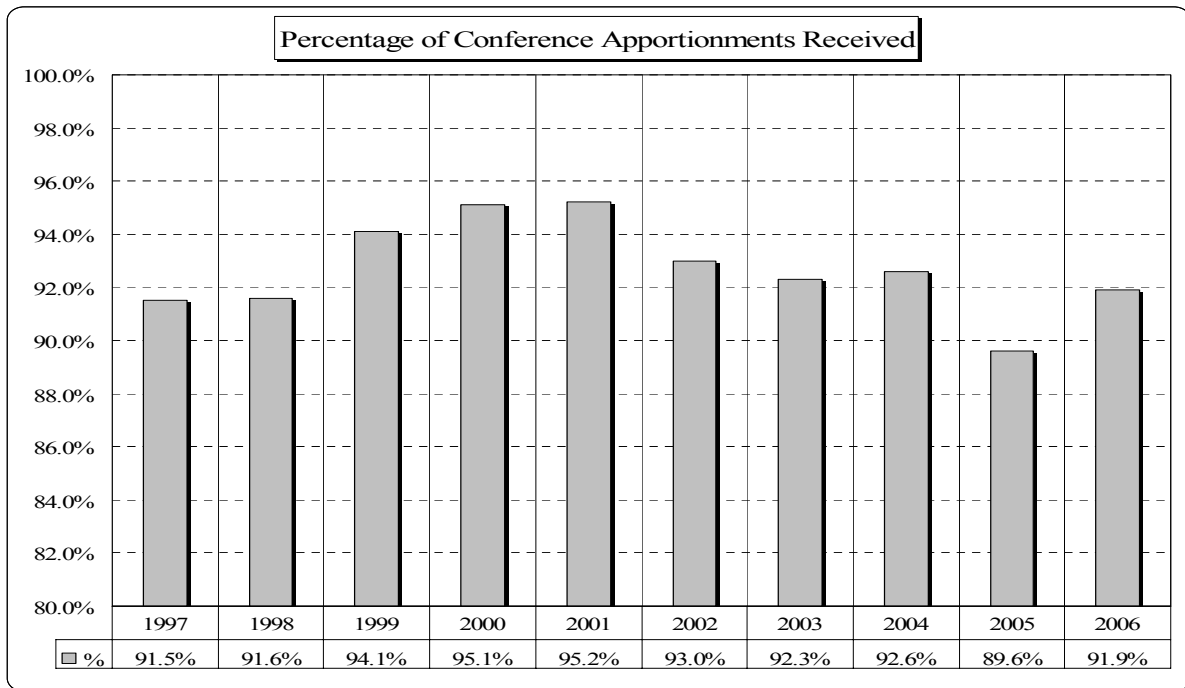
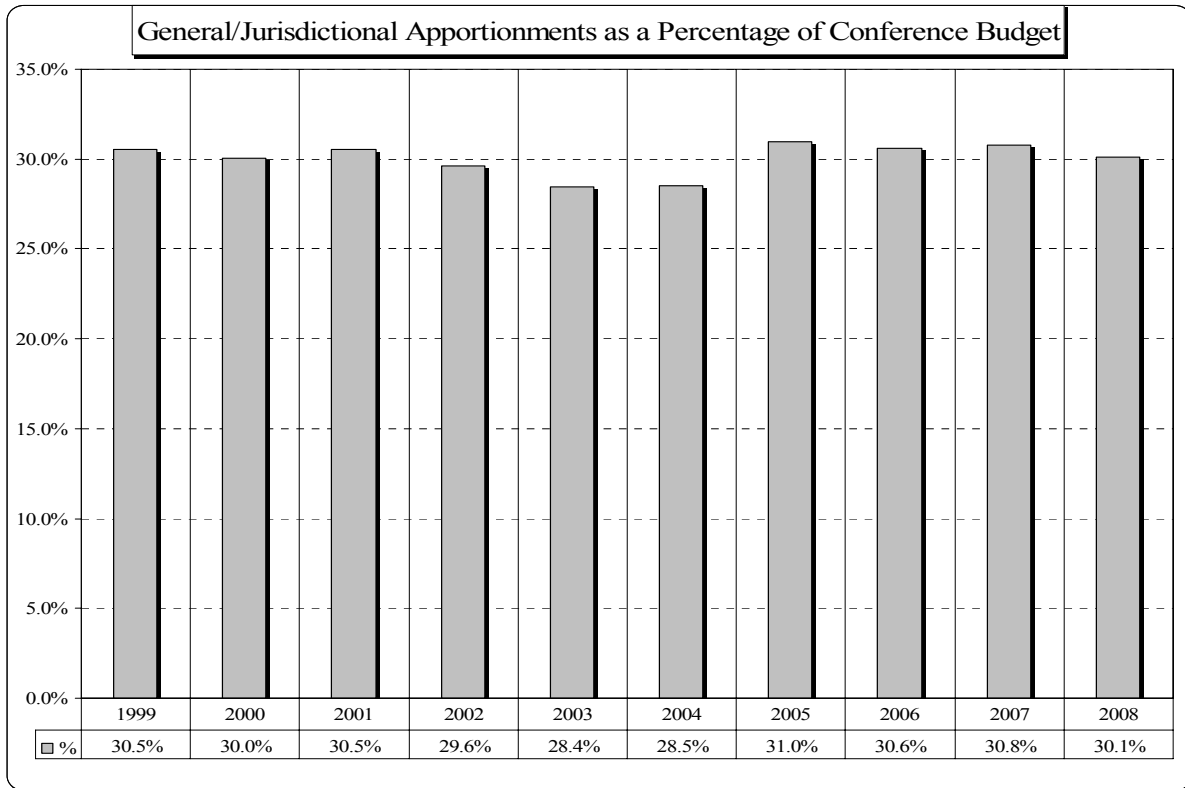
[c] A portion of this budget is internally designated, see note [a].

Wiley Stephens, Chair
Hank Huckaby, Vice Chair
Emerson Bryan, Secretary
Keith Cox, Treasurer

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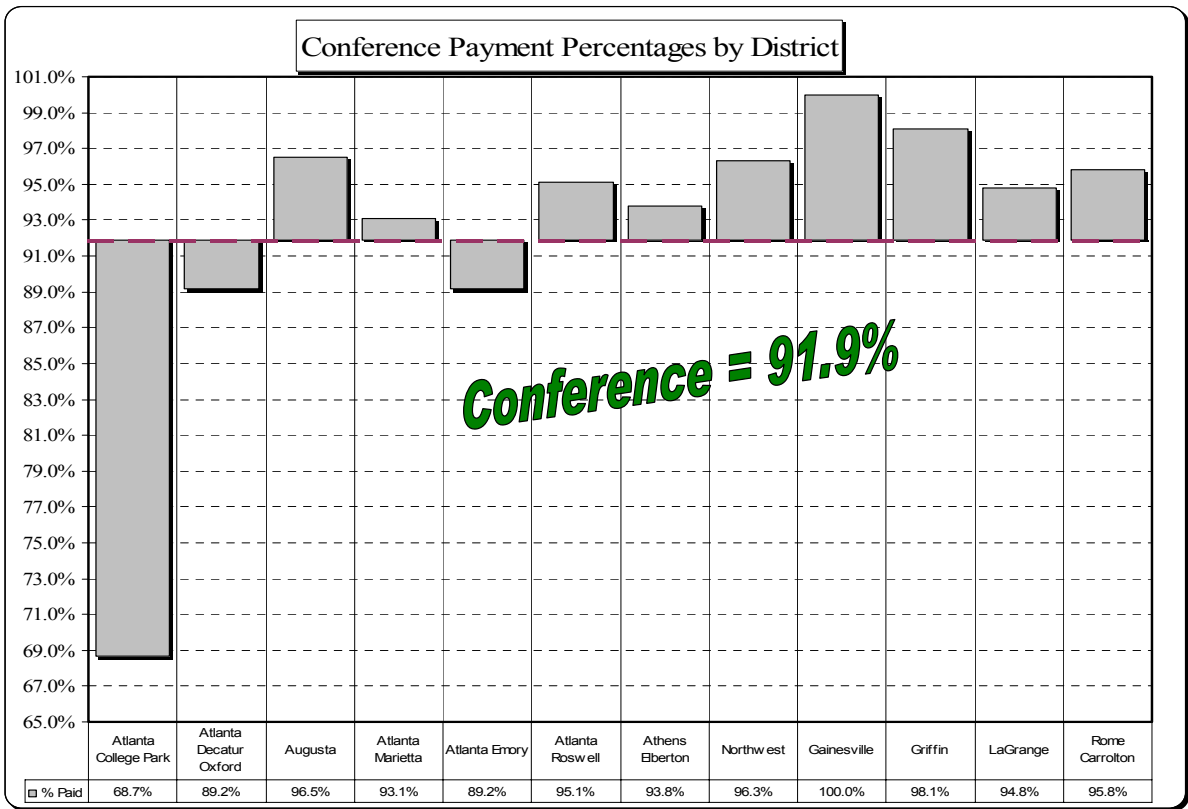
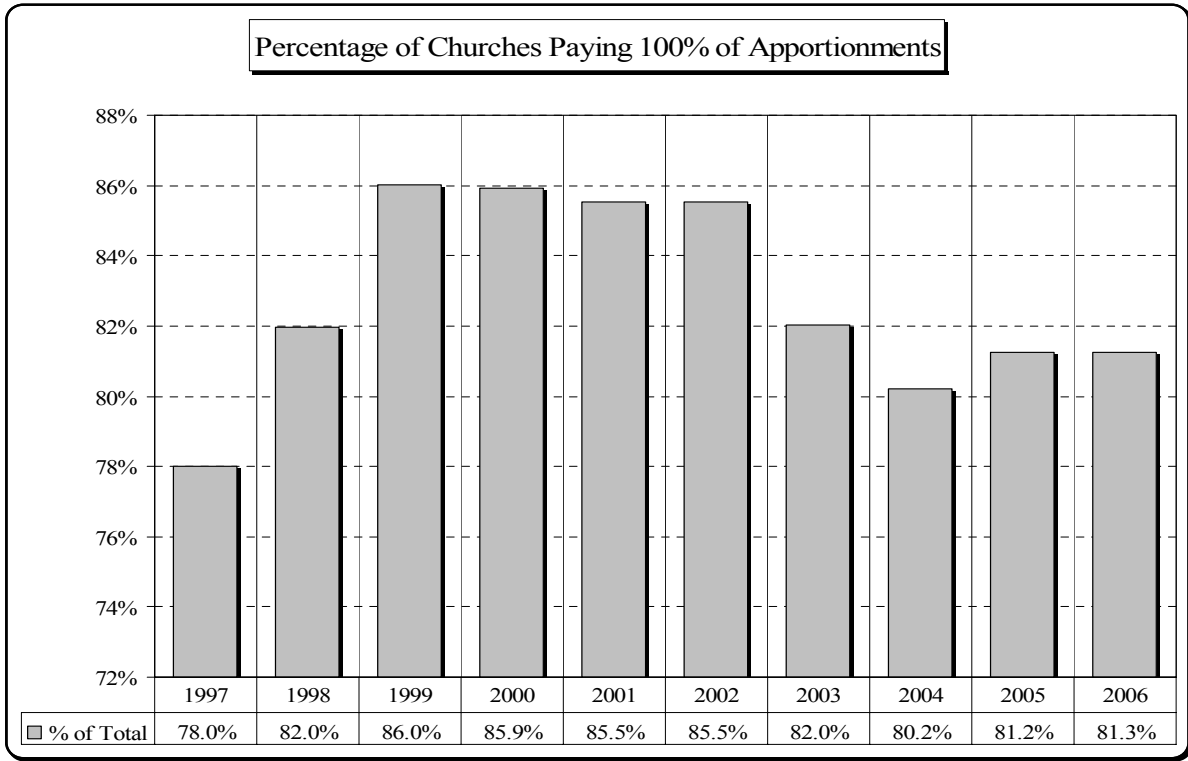
201g. Graphs





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201h. Interpretation of Recommended 2008 Budget

The budget for 2008 is \$25,150,000, an increase of 3.3% over the 2007 budget.

AREA-BY-AREA REVIEW

CONFERENCE FUNDS:

AREA I. MINISTERIAL SUPPORT

Episcopal Residence/Office/Discretionary	\$ 87,000
District Superintendents' Compensation	1,614,657
Equitable Compensation Fund	373,155
Board of Ordained Ministry	<u>265,100</u>
Total Area I	<u>\$ 2,339,912</u>

The Episcopal Residence and Office Fund provides the conference share of financial support for the office and residence expense for North Georgia's Resident Bishop. ALL Bishops are required to reside in conference-owned residences. In 2008 the General Church share of residence support is \$10,000, while the General Church's share of office support is \$66,500.

The District Superintendents' Compensation line item represents salaries, health insurance and pension benefits for the twelve (12) District Superintendents of our conference.

The Equitable Compensation Fund enables our conference to ensure all appointed clergy will have just compensation.

The Board of Ordained Ministry provides support for conference clergy through myriad services, continuing education activities, seminars and Emory Clergy Care. It screens and evaluates candidates for ordained ministry. This ministry enables our conference to meet the high standards and expectations of local church congregations.

AREA II. RETIRED MINISTERS PENSION/INSURANCE

Retired Minister Insurance/Future Retiree Ins.	\$3,174,000
Retirees' Past Service Pension (pre-1982)	<u>3,757,000</u>
Total Area II	<u>\$6,931,000</u>

Retired Minister Pension/Insurance reflects increased funding for the pre-1982 pension liability, as recommended by the Conference Board of Pensions. This "past service liability" must be fully funded by the year 2021.

Also included is the current year premium ("pay-as-you-go") for the Medicare Supplemental Insurance for retired clergy. The amount is based on premiums passed on to the Conference by the General Board of Pension and Health

01 Benefits. Additionally, funding to address the Unfunded Future Retiree
 02 Medical Liability is included here (\$300,000).

03

04 **AREA III. ADMINISTRATIVE FUND**

05 Annual Conf Session/ Journal/Handbook \$ 275,150

06 **The following Area III office “sub totals” include Director and staff**
 07 **salaries/benefits and office related expenses**

08 Office of Treasurer/Admin/Computer Services \$ 589,753

09 This office develops, maintains and administers a comprehensive plan of fiscal
 10 and administrative policies, processes and services for the Conference and
 11 Simpsonwood Conference and Retreat Center. Additionally, the office provides
 12 workshops for clergy and lay persons who serve as Church Treasurers and/or
 13 Financial Secretaries and Finance Committee Chairpersons.

14 This office also administers all Conference databases and computer equipment.
 15 The Computer Systems Manager also provides support for the District Offices.

16 Office of Ministerial Services and Spiritual Formation \$ 248,713

17 This office provides for the many needs of those who have dedicated their lives
 18 to God’s service through the church, including maintenance of clergy service
 19 records/files. This department also provides for credentialing and support of all
 20 conference clergy.

21 Office of Exec Asst to the Bishop & Conf Info \$ 504,565

22 This office provides assistance to the Bishop and is responsible for overseeing
 23 the Pension and Insurance offices. Also, this office disseminates internal and
 24 external communications via brochures, audio-visuals and the Conference
 website and distributes public domain information releases.

25 BOT/Methodist Center Operating Expenses \$ 90,000

26 This represents net operating expenses for the Conference Offices, including
 27 utilities and housekeeping and maintenance.

28 Council on Finance and Administration \$ 100,700

29 This includes Conference audit fees, legal fees and meeting expenses for CFA.

30 Cabinet Expenses \$ 75,000

31 This represents expenses for Cabinet members related to Cabinet meetings,
 32 including Annual Conference session, Minister’s Week and Pastor’s School.

33 Contingency Reserve \$ 99,695

34 **Total Area III** \$ 1,983,576

35

36 **AREA IV. CONFERENCE BENEVOLENCES**

37 **Connectional Ministries**

38 Office Related Expenses \$ 551,916

39

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Program/Ministry Teams	261,044	01
Extended/Related Agencies	261,000	02
Camping Ministries	172,850	03
Conference Leadership Development	<u>22,500</u>	04
Sub Total Connect. Ministries	<u>\$1,269,310</u>	05
<u>The Connectional Ministries</u> functions are responsible for equipping and		
training local church leaders for effective ministry.		
<u>Action Ministries</u>	\$ 700,000	08
This ministry continues the transformation of communities by counteracting		
social issues such as poverty. This line item includes salary support and an		
underpayment factor.		
<u>Housing and Homeless Council</u>	\$ 30,000	12
This ministry provides grants and loans to support new and ongoing programs		
for homeless people in our conference. It also provides permanent housing and		
services for low income and homeless people. This line item includes partial		
support for salary/benefits and office expenses. The H&HC Trust Fund		
balance as of 12/31/2006 is \$1,163,000 (endowment-NGA Foundation). It is		
anticipated that with the continued growth in the endowment, provision for		
partial office support will not be needed after 2008.		
<u>Ministry of the Laity</u>	\$ 30,900	20
The Conference Board of Laity fosters awareness of the role of laity both within		
the local congregation and through their ministries, develops and promotes		
stewardship, provides for training of lay members, provides support and		
direction for ministry of the laity and provides organization, direction and		
support for the development of local church leaders.		
<u>Committee on Small Membership Churches</u>	\$ 500	25
This line item will help fund efforts to strengthen the ministry of those churches		
whose membership is less than 200.		
Total Area IV	<u>\$2,030,710</u>	28
AREA V. CAPITAL FUNDING		
Total Area V	<u>\$ 266,365</u>	31
This line item includes a total of \$141,125 for Camp Glisson and \$50,000 for		
Camp Wesley. Also included is \$35,240 for equipment and a modest		
“replacement reserve” of \$40,000 that partially addresses depreciation on the		
United Methodist Center.		

01 **AREA VI. HIGHER EDUCATION AND CAMPUS MINISTRY**

02 **Total Area VI** **\$ 1,180,030**

03 This line item represents support to the seven (7) United Methodist Colleges
04 (5 in NGA) and eighteen (18) Wesley Foundations (12 in NGA) on college
05 campuses in Georgia. The balance goes to support office expenses and capital
06 funding.

07
08 **AREA XII. CHURCH DEVELOPMENT**

09 **Total Area XII** **\$ 2,096,424**

10 This budget includes funding for the following activities; (**Please note that in**
11 **previous years, this area represented only program expenses, and office**
12 **expenses had been included in Area III, Administration. This year, both**
13 **office and program expenses are in this area)**

14 The Office of Church Development and Staff - The salaries, benefits and
15 expenses for all personnel in the Office of Church Development.

16 New Church Salary and Support - These funds are used to underwrite the
17 compensation packages of our new church pastors and also to provide some
18 start-up funding.

19 Research and Development - These funds are used to maintain a contract with a
20 demographic consultant and to provide partnership opportunities with Districts
21 to develop district strategies.

22 New Pastor Training and Assessment- These funds are used to conduct our
23 New Church Leadership Academy as well as to train our assessment teams.

24 Natural Church Development- Funds in this area are used to facilitate a process
25 by which existing churches discover the areas of ministry that will provide the
26 most improvement in the overall health of the church. This activity includes
27 training lay and clergy “coaches” to work with churches and pastors.

28 The liquid fund balance committed to previously started projects as of
29 12/31/2006 is \$879,000. The fund balance represented by real estate (illiquid) at
30 12/31/2006 is \$1,102,000

31 **AREA XIII. SIMPSONWOOD**

32 **Total Area XIII** **\$ 750,000**

33 This item is new funding as recommended by the March 24, 2007 called session
34 of Annual Conference. This line item represents an operating subsidy for
35 Simpsonwood, and is necessary in order fund anticipated operating shortfalls.

36 **SUB TOTAL 2008 CONFERENCE BUDGET** **\$17,578,017**

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*GENERAL CHURCH FUNDS:***AREA VII. BLACK COLLEGE FUND****Total Area VII \$ 509,545**

This line item represents our denomination's support, via supplements, of the operations and capital funding of historically black colleges and medical schools related to the United Methodist Church, including Clark Atlanta University and Paine College.

AREA VIII. MINISTERIAL EDUCATION FUND**Total Area VIII \$ 1,279,635**

This ministry provides our churches financial support for the recruitment and education of our future pastors and bishops. Please note that our Conference retains 25% of the fund balance for use in our Conference. The retained fund balance as of 12/31/2006 is \$159,000. Scholarship grants can total \$1,000 per semester for undergraduate studies and \$2,000 per semester for seminary students with a lifetime maximum per student of \$16,000.

AREA IX. INTERDENOMINATIONAL COOPERATION FUND**Total Area IX \$ 101,067**

This fund enables United Methodists to have an effective presence in the activities of ecumenical organizations, and provides our United Methodist share of the basic budgets of those organizations which relate to the ecumenical responsibilities of the Council of Bishops and the General Commission on Christian Unity and Inter-religious Concerns.

Included in this fund is support for:

National Council of Churches	\$33,000
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World Council of Churches	\$28,000
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World Methodist Council	\$24,000
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Pan-Methodist Commissions	\$ 3,000
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Ecumenical/Multilateral Conv	\$13,000
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Other	\$ 67
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AREA X. WORLD SERVICE FUND**Total Area X \$ 3,937,299**

The World Service Fund enables our denomination to strengthen its evangelism efforts, stimulate church growth, expand Bible studies and enrich spiritual commitment. This fund allows us to share in a worldwide ministry, including support for missionaries.

In the current quadrennium, \$22,000,000 was included for the Igniting

01 Ministries program. This program was funded from reserve funds (off-budget)
 02 in the previous quadrennium.

03

04 **AREA XI. AFRICA UNIVERSITY**

05 **Total Area XI** **\$ 112,523**

06 This fund supports the development of the first private university for young
 07 men and women from all over Africa. Courses of study include agriculture
 08 theology, medicine and dentistry, education, technology and management.

09

10 **AREA XIV. EPISCOPAL FUND**

11 **Total Area XIV** **\$ 1,029,685**

12 This fund pays the salaries and benefits of active Bishops worldwide and
 13 support for the retired Bishops worldwide, funds the majority of the expenses
 14 related to Episcopal Offices and a portion of Episcopal residence expenses. It
 15 also funds Episcopal travel and moving expenses.

16 There are 51 Jurisdictional and 18 Central Conference Bishops and over 100
 17 Retired Bishops that receive support from this fund.

18 The salary for active Bishops for 2008 will be \$120,942.

19

20 **AREA XV. GENERAL ADMINISTRATION FUND**

21 **Total Area XV** **\$ 346,602**

22 This area funds those General Church activities that are specifically
 23 administrative in nature, such as the General Council on Finance and
 24 Administration, General Conference session, Archives and History and Judicial
 25 Council.

26 **SUBTOTAL 2008 GENERAL FUNDS BUDGET** **\$7,316,356**

27

28 *JURISDICTIONAL MISSION & MINISTRY FUNDS:*

29 **AREA XVI. JURISDICTIONAL MISSION & MINISTRY FUND**

30 **Total Area XVI** **\$ 255,627**

31 This area supports the Jurisdictional Offices in Lake Junaluska, NC.

32 **GRAND TOTAL 2008 BUDGET** **\$25,150,000**

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201i. How Are Apportionments Computed?

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Step One: Conference determines annual budget, consisting of retired	03
ministerial support, regional ministries, new church development, and General	04
Church apportionments to the North Georgia Conference. For 2008 this	05
amount is \$ 25,150,000.	06
Step Two: At calendar year end, the local church completes the Local Church	07
Report To The Annual Conference. (For the 2008 Budget, information from	08
the 2006 reports are used).	09
Step Three: The Treasurer’s office accumulates all local church reports and	10
determines each local church’s operating expenses. Operating expenses consist	11
of salaries, pension benefits, clergy housing-related expenses, expense	12
reimbursements, current program expenses, expenses related to commercial	13
insurance and other current operating expenses. Operating expenses (also	14
referred to as “decimal” expenses) do NOT include: HealthFlex premiums,	15
payments on indebtedness, or capital-related expenditures. Also, expenses	16
related to “self-sustaining” activities and local benevolences are NOT	17
considered operating expenses.	18
Step Four: The Treasurer’s office totals the local church operating expenses	19
for all 931 North Georgia United Methodist churches. For 2006, the latest year	20
available, this total is \$172,075,359.	21
Step Five: We determine “the decimal”. This is the Conference budget,	22
divided by total church operating expenses. For 2008, the calculation is	23
$\$25,150,000/\$172,075,359 = .146$, or 14.6%. (This compares to 14.7% in 2007)	24
Step Six: We multiply an individual church’s operating expenses by the	25
decimal, arriving at the total gross apportionment. We then prorate the gross	26
apportionment to sixteen individual apportionment line items.	27
Step Seven: A reasonableness test will be applied to churches whose	28
membership exceeds 1000. This is pursuant to approval by Annual Conference	29
in 2006. Proposed adjustments resulting from this test are provided to the	30
Cabinet.	31
Step Eight: We total the apportionments for each individual district and send it	32
to the District Superintendent for review.	33
Step Nine: District offices notify Pastors of their apportionment amounts at the	34
late summer District set-up meetings. This information is provided on a “Local	35
Church Apportionment Report.”	36
Please note: The above explanation details the computation of Conference	37
apportionments. It does NOT include District Work Funds (DWF). The	38
computation of DWF varies from district to district, based on the approved	39
	40

01 district budgets. Some districts use the above decimal computation with their
02 district. Others use a “per member” computation. Please check with your
03 District Office if further computational detail is needed.

04

05 **SIGNIFICANT FACTS**

- 06 - The North Georgia Conference was the largest contributor of
07 apportionment payments to our worldwide denomination in 2006
08 (fifth year in a row!).
- 09 - 15.6% of the 2008 budget is designated to our denomination’s World
10 Service Fund
- 11 - The Interdenominational Cooperation Fund, which includes items
12 such as the World Council of Churches, is budgeted at 29 cents per
13 member in 2008, and represents 0.4% of the total 2008 Conference
14 budget.

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201j. Simpsonwood Conference Center Financials

Simpsonwood Conference and Retreat Center Statement of Financial Position For the Years Ending December 31, 2005 and 2006

	12/31/05	12/31/06 (unaudited)	
Assets			
Cash and cash equivalents	\$ 220,024	\$ 154,479	
Investments, at market value	418,245	464,804	
Accounts receivable, net	145,124	64,821	
Prepaid and other	23,626	7,295	
Inventory	67,733	68,976	
Due from affiliated organizations	174,661	74,658	
Property and equipment, net	11,302,373	11,060,852	
Total Assets	<u>\$ 12,351,786</u>	<u>\$ 11,895,885</u>	
Liabilities and Net Assets			
Accounts payable and accrued expenses	\$ 208,020	\$ 575,871	
Customer deposits	187,588	186,513	
Note payable	5,042,144	4,992,096	
Total Liabilities	<u>5,437,752</u>	<u>5,754,480</u>	
Net Assets			
Unrestricted	4,036,648	3,045,896	
Temporarily restricted	2,825,636	3,043,759	
Permanently restricted	51,750	51,750	
Total Net Assets	<u>6,914,034</u>	<u>6,141,405</u>	
Total Liabilities and Net Assets	<u>\$ 12,351,786</u>	<u>\$ 11,895,885</u>	

01 **Simpsonwood Conference and Retreat Center**
 02 **Statement of Activities**
 03 **For the Years Ending December 31, 2005 and 2006**

	12/31/05	12/31/06 (unaudited)
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Simpsonwood Conference and Retreat Center
Statement of Cash Flows
For the Years Ending December 31, 2005 and 2006

	12/31/05	12/31/06 (unaudited)
Cash Flows From Operating Activities:		
Change in Net Assets	\$ (234,791)	(772,629)
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation	430,681	431,416
Net realized and unrealized gain on investment	(13,397)	(46,559)
(Increase) decrease in:		
Accounts receivable	(58,818)	80,303
Inventory	13,660	(1,243)
Due from affiliated organizations	78,737	100,003
Prepaid and other	(23,626)	16,330
Increase (decrease) in:		
Line of credit	(89,000)	-
Accounts payable and accrued expenses	88,814	367,851
Customer deposits	7,867	(1,075)
Net cash provided by operating activities	<u>200,127</u>	<u>174,397</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(52,284)	(189,894)
Proceeds from sale of investments	108,645	-
Net cash provided by investing activities	<u>56,361</u>	<u>(189,894)</u>
Cash Flows From Financing Activities		
Repayment of note payable	(205,530)	(50,048)
Net increase in cash and cash equivalents	50,958	(65,545)
Cash and cash equivalents, beginning of year	169,066	220,024
Cash and cash equivalents, end of year	<u>\$ 220,024</u>	<u>\$ 154,479</u>

202. Commission of Equitable Compensation Guidelines

In *The Book of Discipline 2004*, ¶624.3 states, “The commission on equitable compensation shall carefully study the needs for additional support within the conference and the sources of income and shall recommend annually to the conference for its action a schedule of minimum base compensation for all full-time pastors and those clergy members of the annual conference appointed less than full-time to a local church, subject to such rules and regulations as the conference may adopt.” In the North Georgia Conference minimum base compensation is referred to as “total compensation subject to minimum salary guidelines.”

Definitions

The following terms and definitions may be helpful to the understanding of what is meant by “Equitable Compensation” for both what is required to be included and those pastoral support items which may be included at the discretion of the annual conference:

The term “Clergy Salaries” term has been discontinued as of *1992 Book of Discipline*.

Clergy Compensation refers to the total package of compensation budgeted by the local church or paying entity. The following terms are reflective of information included on the “Clergy Compensation and Expenses Worksheet”: (attached herein)

“Total Compensation subject to minimum salary guidelines” (Sections I & II) refers to gross base salary paid directly to pastor, including allowances that are negotiated between the pastor and church to reduce taxable income. (Section II items ONLY) It also includes other cash compensation [(example listed in I.(2))].

The total of sections I and II on the Clergy Compensation and Expenses Worksheet must total at least the amount approved as the “minimum salary.”

“Base Compensation” – includes cash, non-GBOP mandated pension plans, payments to cover or assist personal SS taxes and other cash benefits such as bonuses. Section I (3) includes ONLY funds received from the Annual Conference that supply Base Compensation.

“Not Base Compensation” – base compensation would **not** include other items included in total compensation, such as utilities and other housing-related allowances, accountable reimbursements for professional expenses and cost of

benefits such as General Church-mandated pension plan contributions, and life and health insurance which are borne by the paying entity. 01
02

Equitable compensation programs, at the discretion of the Annual Conference, may broaden the scope of a conference's requirements to include elements of pastoral support beyond what has historically been called "salary." *The Book of Discipline* is prescriptive rather than restrictive. The programs may also provide grants for pastors to levels above the established minimums based on prescribed guidelines. 03
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The schedule of minimum base compensation may vary the base compensation for pastors according to any number of criteria, such as years of service, size of parish or educational credentials. Although not required by *The Book of Discipline*, in the interest of equity it may include all aspects of clergy support. 09
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202a. Conference Standards for Pastoral Support

The Commission recommends the following items be included in the definition of Pastoral Support for 2007: 14
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17

- 1 base compensation, which includes cash compensation payments, pension plan payments, payments to cover or assist personal Social Security taxes of the pastor and any other cash benefits paid to the pastor 18
19
20
21
- 2 annual conference life and health insurance premium 22
- 3 provision for a parsonage or a housing allowance 23
- 4 reimbursement for travel/business expenses and continuing education, and any other expenses as may be required by the annual conference 24
25
26

Note: Base compensation may be divided into salary and a utilities/furnishings allowance to minimize a pastor's tax liability. Local churches should be familiar with Internal Revenue Service requirements for pastors receiving non-taxable reimbursement when establishing compensation. 27
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202b. Minimum Cash Compensation

The Commission recommends the following minimum cash compensation for the Annual Conference in the year 2008. (This represents the sum of items I and II): 32
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	<u>Category</u>	<u>2007</u>	<u>2008</u>
01			
02	Full Connection	\$31,500	\$31,500
03	Associate Member	\$30,300	\$30,300
04	Probationary member	\$30,300	\$30,300
05	Full Time Local Pastor	\$27,300	\$27,300
06	Student Local Pastor	\$19,600	\$19,600

07 Local churches are expected to reimburse pastors for travel/business
 08 expenses and continuing education expenses under an accountable
 09 reimbursement plan that complies with Internal Revenue Service regulations.
 10 These IRS regulations require reimbursements made outside an accountable
 11 reimbursement plan to be reported as taxable income. The local church shall
 12 budget sufficient funds to meet the anticipated cost of pastoral travel and
 13 business expenses based on the most current year's actual expenses or the
 14 amount determined with the pastor. The local church shall budget sufficient
 15 funds to meet the pastoral continuing education expectation of the Committee
 16 on Pastor-Parish (Staff) Relations [(*The Book of Discipline 2004* ¶259.2g(8))],
 17 which shall be no less than \$800 annually.

18 Though the Commission has not raised the standards for minimum cash
 19 compensation for the Annual Conference in the year 2008, the Commission
 20 recommends that all churches provide a 3 percent increase in minimum cash
 21 compensation for the coming year.

22 The Commission recommends that churches follow the Annual
 23 Conference practice of paying pastoral salaries in advance.

24 **202c. Vacation Recommendations**

25
 26 The Commission recommends that all charges of the conference provide
 27 their pastor(s) annual vacation periods of at least the following schedule and
 28 make necessary financial arrangements for pulpit supply during the pastor's
 29 absence from the pulpit. Guidelines for vacation periods shall be based on the
 30 credited years of service indicated in the Chronological Roll published annually
 31 in the Conference Journal:

<u>Credited Years of Service</u>	<u>Vacation Recommendation</u>
32 1 to 5 years	3 weeks (including 3 Sundays)
33 6 to 10 years	4 weeks (including 4 Sundays)
34 11+ years	5 weeks (including 5 Sundays)

35
 36 Vacation shall be calculated based on the conference year July 1-June 30.

37 The Commission also recommends a Transitional Sunday for churches
 38
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receiving a new pastor. The last Sunday for a departing pastor shall be the Sunday prior to annual conference with the new pastor assuming duties two Sundays after conference.

202d. 2008 Equitable Compensation

The Commission recommends the following items be included in the Annual Conference Equitable Compensation Plan for 2008:

	<u>2007</u>	<u>2008</u>
<u>Item of Compensation</u>	<u>Full-Time Elder</u> <u>Estimated Cost</u>	<u>Full-Time Elder</u> <u>Estimated Cost</u>
Cash Compensation (1)	\$31,500	\$31,500
Housing allowance (2)	16,100	16,100
Pension (3)	8,442	8,442
Health Insurance(4)	<u>9,650</u>	<u>9,650</u>
Total Estimated Cost	\$65,692	\$65,692

(1) may be broken out between cash, utility allowance and parsonage-related allowances

(2) where parsonage is not provided

(3) actual cost may vary based on variable factors between \$8,772 and \$9,996

202e. Equitable Compensation Fund

The Commission recommends that all full-time clergy appointed to serve as Pastor-in-Charge be eligible to receive grants from the Equitable Compensation Fund under the North Georgia Annual Conference Equitable Compensation Plan. Churches may not receive salary supplementation funds from both Church Development and Equitable Compensations.

The Commission administers the Equitable Compensation Fund to assure each pastor receives a minimum compensation package approved by the Annual Conference (§624.3 *The Book of Discipline 2004*). A local church that demonstrates the ability to maintain a full-time ministry may apply to the Commission of Equitable Compensation for a grant. We recommend that the North Georgia Annual Conference Equitable Compensation Plan provide for grants not to exceed twenty percent (20%) of the total equitable compensation costs (as outlined above) for the original grant. Following the first full year and each succeeding year, the grant shall be reduced by twenty-five percent (25%) of the original grant and the church shall be expected to underwrite any

01 additional increase in the total equitable compensation costs. A church shall
02 demonstrate its ability to maintain a full-time ministry by completing the
03 application provided by the Commission on Equitable Compensation.

04 The Bishop, Cabinet and the Commission on Equitable Compensation
05 must approve any exception to the above Equitable Compensation guidelines on
06 an annual basis and must request any additional funds over the original
07 Equitable Compensation Budget from the Conference Council on Finance and
08 Administration before an exception is made. The Commission shall report to
09 the Annual Conference the charges and the clergy members receiving or who
10 have received disbursements from the Equitable Compensation Fund during the
11 past calendar year including the number of years such funds have been
12 disbursed to the charge and the clergy member.

13 The Commission will make disbursements from the Equitable
14 Compensation Fund in accordance with *The Book of Discipline 2004* ¶331.14,
15 ¶342 and ¶623. By May 31 of each year the district superintendent must file
16 with the Commission a list of standard supplement requests to be provided
17 churches/charges in his/her district effective July 1- June 30. By November 30
18 of each year the district superintendent must file with the Commission any
19 changes to be supplements for the period January 1- June 30.

20 The Commission in keeping with the intent of *The Book of Discipline*
21 *2004* ¶362 may disburse funds to a supply pastor or a suspended pastor as
22 determined by the Bishop and Cabinet. In those situations where the provisions
23 of *The Book of Discipline 2004* ¶624.5 are not met, funds may be disbursed for
24 or loaned to charges in accordance with ¶625.

25 The Commission will assemble advisory material including but not
26 limited to IRS regulations, denominational resources, Annual Conference
27 resources and such information helpful in understanding and establishing
28 compensation in The United Methodist Church. The Commission will provide
29 such material and/or consultants from the Commission upon request by district
30 superintendents, committees on Staff/Pastor Relations or any event where such
31 information would be beneficial in developing or maintaining an effective
32 compensation package or program. The Commission will be responsible for
33 making adequate requests from the Conference Council on Finance and
34 Administration as needed for approval of budget and expenditures.

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202f. Guidelines for Housing Allowance and Parsonage

Housing Allowance and Parsonage Pastoral Housing

Every church must provide adequate housing for its pastor. The church or charge may meet this need by means of a parsonage or by providing a housing allowance sufficient to buy or rent a home in the area served by the church.

Minimum Parsonage Standards

1. The parsonage shall have at least four bedrooms of at least 120 square feet each with ample closets. The master bedroom shall have its own bath. At least one bedroom and bath shall be on the main level. There shall be at least two full baths in the house. A two-car garage or carport shall be provided and a minimum of 120 square feet of storage space shall be provided in addition to closet space. The main floor of the parsonage shall be handicap accessible.
2. Central heat and air are required, along with storm windows and insulation of R30 rating or higher.
3. A study shall be provided either at the parsonage or at the church.
4. There shall be a family room/dining room and/or a living room and separate dining room.
5. A parsonage must be furnished with window treatments, stove, refrigerator, dishwasher, washer, dryer, smoke alarms and mower or lawn service. Parsonage furniture will not be required (except for the above mentioned items) effective January 1, 2003.
6. Cable television connection should be provided where available or outside television antenna. The telephone line must be private with a minimum of two jacks. A fenced play area is recommended.
7. Pastors are encouraged to purchase renters insurance on their personal property in the parsonage.

Housing Allowance Standards

1. The district superintendent of the church involved must review all housing allowance requests and the Bishop and Cabinet must approve such requests. Questions about housing allowance may be referred to the District Committee on Church Development for its ruling.

Each local congregation, conference agency, or district that decides to provide a housing allowance in lieu of a parsonage and sells the existing parsonage, must place the proceeds from such sale in an escrow account, or use the proceeds for capital expenses (*The Book of Discipline 2004* ¶2542).

01 2. The minimum housing allowance for 2006 shall be \$16,100 (25 percent of
 02 the Conference Average Compensation). The district superintendent must
 03 approve exceptions to this minimum. The allowance should respect the Internal
 04 Revenue Service regulations and rulings. The housing allowance should be
 05 clearly established, recorded in the Charge Conference minutes and excluded
 06 from Box 1 but listed in Box 14 in the W-2 form provided to the pastor.

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 08 **202g. Churches Receiving Equitable Compensation in 2006**

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Church Apportionment Receiving Grant	District	Church Paid	Yrs Received Eq Comp	Eq Comp Paid	Total Compensation	% Paid
Campbellton	ACPK		3	8,050	(End June 2006)	10.7%
Georgia Oliver/ Centenary	ACPK	20,000 20,000	6	23,738	64,638	100 % 0%
Harris Chapel	ACPK	25,000	4	39,431	63,702	00.1%
Laster Chapel	ACPK	30,000	2	34,926	64,926	0%
Rocky Head	ACPK	21,000	7	42,394	63,542	0%
St. Mark	ACPK	25,000	4	36,514	63,259	50.5%
Rock Chapel	ADOX	20,000	2	44,290	64,290	59.2%
Vinings	AMAR		1	5,000		100 %
Christ Korean	AMRY		3	12,000		100 %
Kings Memorial	AMRY	20,000	2	44,602	64,602	36.8%
Antioch	GNSV		3	250	(End June 2006)	100 %
Hickory Flat/ Clemons Chapel	GNSV		2	1,252	(End Jan. 2009)	100 % 100 %
Zion	GNSV		3	480	(End Jan. 2008)	100 %
Barnesville Parish/Unionville Green Mount	GRFN		2	16,118		100 % 100 %
Zebulon/ Concord	GRFN		2	3,126	(End Dec. 2006)	100 % 100 %
Burns/ St. Mary	LAGR		4	5,400	(End June 2007)	100 % 100 %

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Merrill Chapel	LAGR	20,000	2	42,655	63,702	100 %	01
Moreland	LAGR		1	3,555		66.7%	02
ROCA Hispanic Ministries (Carrollton First/Cedartown)	ROCA	34,916	5	24,576	59,492	-	03 04 05
Temple	ROCA		1	5,000		100%	06 07

202h. Clergy Receiving Equitable Compensation in 2006

Clergy Receiving Grant	District	Eq Comp Received	Pastor Classification	Continuous Yrs Eq Comp
John Jansen	ACPK	8,050	FE	3
Hubert Brown	ACPK	23,738	FE	8
Robert Crawford	ACPK	39,431	FE	4
Martha Randall	ACPK	34,926	FE	5
Steve Jones	ACPK	42,394	FE	3
Ed Best	ACPK	36,514	FE	5
Michael Flanigan	ADOX	44,290	FE	3
Robert Manley	AMAR	5,000	FE	1
Harold Hong	AMRY	12,000	FE	4
Earl Dabney	AMRY	44,602	FE	4
Lee Krivsky	GNSV	250	FL	4
Jerry Cameron	GNSV	1,252	PL	4
Vikki McVay	GNSV	480	PL	5
Vincent Miller	GFRN	16,118	FE	7
Cindy Conner	GRFN	3,126	PE	4
Greg Williams	LAGR	5,400	FE	6
Deborah Maddox-Turman	LAGR	42,655	FE	4
David Brackman	LAGR	3,555	FE	1
Olga Rodriguez	ROCA	24,576	FL	6
Joe Williams	ROCA	5,000	FE	1