



**Governing Board Meeting**  
**Wednesday, March 24, 2021, 7-9:00pm**  
**Teams**

<b>Welcome/ Call to Order</b>	Cydney Philbin	7:00pm
Opening Prayer	Doug Torrance	2 min
Approval of February 2021 Meeting Minutes	All	2 min
Appreciative Inquiry	Pam Shisler	45 min
Church and Friends Project	Alice Finley	15 min
<b>Reflections/ Announcements</b>	Cydney Philbin	5 min
<b>Reports</b>		
Senior Minister	Glen Miles	2 min
Financial / Operations	Paul Anderson	2 min
Personnel	Alice Finley	2 min
Congregational Care Report	Sally Hughes	
<b>Unfinished Business</b>		
1. Nominating Committee Bylaws	Jodi Patton	
2. Affirmation of FSRTF	Glen Miles	
3. Other Old Business		
<b>New Business</b>		
1. Other New Business		
<b>Closing</b>		
Sharing of Personal Joys, Pastoral Concerns	All	2 min
Closing Prayer	Glen Miles	1 min
<b>Adjournment</b>	Cydney Philbin	

**April GB Meeting:** April 28 in person with masks Grace Hall  
**March 24- April 28: GB Project:** Other Church Visits and Invite Friends to FC for Feedback

Governing Board  
Key Takeaways  
March 24, 2021

1. The Strategic Planning Team has started their work of gathering information from church members. Appreciative inquiry meetings are in the process of being scheduled with most groups. There will also be general meetings where any member of the congregation can attend and an all-church survey will occur. The Governing Board went through the appreciative inquiry process at its most recent meeting. More information about the strategic planning process is at <https://fcchurch.com/strategicplanning/> .
2. Financially, the year has started well. As budgeted, we are in the black through February 28, 2021. Pledges and Akita registration are lagging to budget. Expenses are \$45k below budget for the two months.
3. The Church did receive monies under the Payroll Protection Program Round 2. This money is being held in reserve and may be used during the summer when our expenses are high due to Akita and revenue is usually lower. In the fall, when the rules are clearer, we will determine if any of the monies are forgivable or needed to be paid back.
4. As a result of the approval of the Constitution, the Board is updating its own bylaws. The Board did approve new Bylaws for the Nominating Committee. Other Boards, Councils and Committees will be encouraged to update their bylaws later this year.
5. The Board affirmed the Statement of Financial Values as submitted by the Financial Structure Review Task Force.
6. Plans are underway for in person worship beginning April 11<sup>th</sup>. Space is limited and attendees must be masked and social distance. For now, we ask people make a reservation to attend, which will be available online and by phone on Monday mornings ahead of the Sunday service. Other in person activities are also being evaluated. These plans could change based on COVID trends so please read the weekly email and website for the most current information. Or call the receptionist.

Information about the activities and documents of the Governing Board is always available at <https://fcchurch.com/resources/governing-board-documents/>



**First Community Church  
Governing Board Meeting  
Video Conference Call – 7:00 PM  
March 24, 2021**

**ATTENDEES:** Cydney Philbin, Chair, Jodi Patton, Past, Alice Finley, Vice Chair, Tricia Baxley, Molly Hagkull, April Howe, Deb Humphrey, Steve Mushrush, Ryan Nicoll, Pam Shisler, Doug Torrance, Andrew Wildman, Dick Wood, Jr., Sally Hughes, Joe Bull, Shah Hassan,

**Ex-officio:** Glen Miles, Paul Anderson, Jason Milligan, Treasurer.

**Absent:** Stacy McVey

**Guests:** None

**OPENING/CALL TO ORDER**

Chair Cydney Philbin called the meeting to order at 7:03. She then asked Doug Torrance to give the opening devotions.

**APPROVAL OF FEBRUARY 24, 2021 MINUTES**

A correction was offered as follows:

**Executive Session**

A personnel matter was presented and discussed. A motion to approve the personnel matter was offered by Jodi Patton and seconded by Stacy McVey. This motion passed unanimously. A motion to exit Executive Session was made by Cydney Philbin and seconded by Doug Torrance, after which the meeting ended.

Motion was made to approve the February 24, 2021 minutes as amended by Dick Wood, Jr and seconded by April Howe. Motion passed unanimously.

**STRATEGIC PLANNING – APPRECIATIVE INQUIRY** - Cydney offered a brief prayer to open the appreciative inquiry process. She then asked Jodi Patton and Pam Shisler to explain more about the appreciative inquiry process. The Governing Board was then split into three groups, led by Cydney, Pam, and Jodie to consider five appreciative inquiry questions.

**CHURCH AND FRIENDS PROJECT** – Alice Finley was called on by Cydney to review with the Board the work to review other churches. Each Board member is assigned a church to attend a service virtually and review that church's social media. There is a form for each Governing Board to complete after completing the two tasks. Each Board member is also asked to invite a friend or family member to attend a service of First Community. There is a form that they should complete after attending the service.

**REFLECTION/ANNOUNCEMENTS** - Cydney reviewed with the Board the meeting packet. She focused on the Governing Board Bylaws that the Board will act on. The Bylaws have been reviewed by the Governance Review Committee, especially the new Section 2.3. She also discussed the Nominating Committee Bylaws in the packet, especially the qualifications for the Governing Board member. She



announced that next month the Board will meet in person unless the trends are negative. She briefly reviewed the Strategic Planning groups and assignments. Lastly, she reviewed the upcoming calendar.

#### **REPORTS**

Cydney called on Glen Miles, Senior Minister who highlighted a few items. He talked about a task force on race relations that he is forming. He answered a few questions.

Paul Anderson, Executive Director of Operations reviewed the February 2021 financial statements and his operations report. He answered a few questions. Paul then asked Jason to comment on the 2019 audited financial statements. Jason briefly reviewed the audit reports with the Board.

Alice Finley then gave a brief report on the Personnel Committee, which was held on prior to this meeting.

#### **UNFINISHED BUSINESS**

##### **Nominating Committee Bylaws**

Jodi briefly introduced the Nominating Committee Bylaws. Her understanding was that this was the first Bylaws ever for the Nominating Committee. She thanked Rose Konrath for her work on the Bylaws. Jodi made a motion to approve the Bylaws. It was seconded by Doug Torrance. The motion passed unanimously.

##### **Affirmation of Financial Structure Review Task Force**

Glen was called upon to talk about the next steps is to review the Statement of Financial Values. The document will be reviewed by the Program Staff and will also be the guiding document for our financial operations going forward. Steve Mushrush made the motion to affirm the Statement of Financial Values and Dick Wood, Jr. second. The motion passed unanimously.

##### **Other Old Business**

No other old business.

#### **NEW BUSINESS**

There was no new business.

#### **SHARING OF PERSONAL JOYS, PASTORAL CONCERNS**

Several spoke up asking for prayers for their family.

#### **CLOSING**

Glen Miles offered a closing prayer. At 8:58 pm. Cydney then adjourned the meeting.

Respectfully submitted,

Paul R. Anderson, Secretary



**First Community Church  
Governing Board Meeting  
Video Conference Call – 7:00 PM  
February 24, 2021**

**ATTENDEES:** Cydney Philbin, Chair, Jodi Patton, Past, Alice Finley, Vice Chair, Tricia Baxley, Joe Bull, Molly Hagkull, April Howe, Deb Humphrey, Stacy McVey, Steve Mushrush, Ryan Nicoll, Pam Shisler, Doug Torrance, Andrew Wildman, Dick Wood, Jr.,

**Ex-officio:** Glen Miles, Paul Anderson, Jason Milligan, Treasurer.

**Absent:** Shah Hassan, Sally Hughes

**Guests:** Larry Anderson, Scott Glaser

**OPENING/CALL TO ORDER**

Chair Cydney Philbin called the meeting to order at 7:05. She then asked Stacy McVey to give the opening prayer. For the Building Community First question, Cydney asked each of the Board Members how many siblings they have and where they are in the order. She called each member and guest to respond.

**REFLECTION/ANNOUNCEMENTS**

There was a sharing of joys and concerns. Sympathy was expressed to Shah Hasan on the loss of his wife. Dick Wood reported that Media team was very appreciative of the Service Award they received during the Annual Meeting. Larry Anderson made inquiry as to what financial assistance the Church is offering our members for rent or other needs. Paul responded that the Mission Council and Foundation created a fund last Spring to aid those in need.

**APPROVAL OF JANUARY 27,2021 MINUTES**

Motion was made by Stacy McVey and seconded Steve by Mushrush by to approve the January 27,2021 Governing Board meeting minutes. Motion passed unanimously.

**FINANCIAL STRUCTURE REVIEW TASK FORCE**

Cydney called on Glen Miles who briefly spoke about the rationale for creating the Task Force. He then introduced Scott Glaser who reviewed the key elements of the Statement of Financial Values with the Board. Larry Anderson, another member of the Task Force, also took part in the presentation. After his presentation, Scott fielded questions about the document. Paul Anderson added comments about steps going forward in implementing the financial values in the document. Cydney and Glen both thanked Scott and Larry for their work with Financial Structure Review Task Force.

**CHAIR'S COMMENTS**

Cydney reviewed the changes in the newly approved Constitution. She encouraged the Board to understand the changes in the Constitution. Then she reminded the Board to attend the strategic planning meetings and that Pam Shisler will review the schedule for that weekend with the Board. Lastly, she reminded the Board to be reviewing the meeting schedule and reminders at the end of the agenda.

**REPORTS**



Cydney called on Glen Miles, Senior Minister who highlighted a few items from his report. Glen described the process for acceptance of the Statement of Financial Values by involving the Program Staff and the Foundation before any Board action. Glen mentioned worship planning going forward in the next few months and how the Clergy and Program Staff were planning for offerings and activities to compliment the upcoming sermon series. Easter will be virtual services only with some in-person activities. We are planning for an in-person service beginning April 25<sup>th</sup>. Participants must wear masks and only allow 100 can attend to achieve the appropriate social distancing. He then answered questions.

Paul Anderson, Executive Director of Operations then reviewed his report and the financial dashboard. He highlighted a few items such as Akita registrations, status of 2021 pledges and the PPP R2. The PPP R2 application for \$589k has been approved by our bank. The bank has submitted the application to the SBA. He reminded the Board to return their Conflict of Interest and Confidentiality Policy confirmations to him as soon as possible. He then answered questions.

#### **UNFINISHED BUSINESS**

Glen did a brief update on the Annual Meeting and thanked the staff that organized the meeting. Paul and Cydney acknowledged Price Finley who served as our parliamentarian for his willingness to aid in the planning process for the meeting as well as attending. Paul mentioned that a technical de-brief was performed, and we will be prepared for an in-person annual meeting next year that would also allow online participation.

Pam Shishler reviewed the schedule for the Strategic Planning on March 6<sup>th</sup> and 7<sup>th</sup>. She asked Board members to confirm their attendance by email to her.

#### **NEW BUSINESS**

**Foundation Board Member-** A motion was made by Jodi Patton and it was seconded by Joe Bull to approve the membership of Chuck Webb to the Foundation Board. Joe Bull endorsed the nomination. The motion passed unanimously.

There was no other new business.

#### **CLOSING**

There were no final remarks offered. Glen Miles offered a closing prayer. At 8:27 pm, Cydney asked for a motion to go into executive session. A motion was made by Stacy McVey and seconded by Steve Mushrush and it passed unanimously. Glen Miles and Paul Anderson were then excused.

#### **EXECUTIVE SESSION**

The personnel matter was presented and discussed. A motion to approve the personnel matter was offered by Jodi Patton and seconded by Stacy McVey. This motion passed unanimously. A motion to exit Executive Session was made by Cydney Philbin and seconded by Doug Torrance, after which the meeting ended.



first community

where everyone is accepted

Cydney adjourned the meeting at 8:45 pm.

Respectfully submitted,

Paul R. Anderson, Secretary

March

2  
0  
2  
1



where everyone is accepted

# STRATEGIC PLANNING

A Request to members of the Governing Board

From Alice Finley and the Strategic Planning Team

**PLEASE HELP US GATHER INFORMATION ABOUT  
FIRST COMMUNITY AND OTHER SELECTED  
CHURCHES.**

---

**THIS DATA WILL HELP THE TEAM AS THEY  
CONSIDER OUR PAST AND PRESENT, AND  
ULTIMATELY MAKE RECOMMENDATIONS FOR  
THE FUTURE OF FIRST COMMUNITY.**

**WE ARE ASKING YOU TO DO TWO THINGS:**

1. Invite a friend to attend a worship service, spend a bit of time on the First Community website & social media, and then complete a brief feedback form.
2. Visit a church (to be assigned to you), spend a bit of time on the church's website & social media, and then complete a brief feedback form.

Before the Governing Board meeting on Wednesday, March 24th, you will receive an email from Alice with specific instructions and links you will need to complete this assignment. Please have this information readily available during the meeting. If you have specific questions, please email [AliceKFinley@gmail.com](mailto:AliceKFinley@gmail.com)





	Budget Annual	Budget for This Month	Actual for This Month	Variance for This Month	Budget YTD	Actual YTD	Variance YTD	2020 YTD
Pledge Revenue	1,915,000	210,000	154,110	(55,890)	517,500	742,794	225,294	651,230
Sanctuary Offering	35,000	3,799	0	(3,799)	9,325	0	(9,325)	8,440
Fee Supported	1,893,783	133,313	245,311	111,998	422,127	355,811	(66,316)	430,380
Program and Facilities	176,495	9,361	4,915	(4,446)	18,722	9,760	(8,962)	44,584
Gifts and other Support	503,237	35,165	13,857	(21,308)	86,356	150,093	63,737	121,281
<b>Total Revenue</b>	<b>4,523,515</b>	<b>391,638</b>	<b>418,193</b>	<b>26,555</b>	<b>1,054,030</b>	<b>1,258,458</b>	<b>204,428</b>	<b>1,255,915</b>
Fee Supported	1,741,124	109,405	110,896	(1,491)	225,121	226,240	(1,119)	223,406
Ministries and Programs	419,791	28,129	20,356	7,773	56,180	46,036	10,144	113,994
Facilities and Administration	1,070,221	88,522	76,338	12,184	176,690	144,481	32,209	187,791
Salaries and Benefits	1,292,379	108,278	107,378	901	216,157	212,132	4,025	257,917
<b>Total Expenses</b>	<b>4,523,515</b>	<b>334,334</b>	<b>314,968</b>	<b>19,367</b>	<b>674,148</b>	<b>628,888</b>	<b>45,259</b>	<b>783,109</b>
<b>Net Change</b>	<b>0</b>	<b>57,304</b>	<b>103,226</b>	<b>45,922</b>	<b>379,882</b>	<b>629,570</b>	<b>249,687</b>	<b>472,806</b>

  

All Funds - Actual	Current Month				Year to Date			
	Operating	Donor	Capital	Total	Operating	Donor	Capital	Total
Total Revenue	418,193	19,987	4,349	442,530	1,258,458	53,437	19,811	1,331,706
Total Expenses	314,968	28,975	87,924	431,867	628,888	41,238	114,290	784,416
<b>Net Change</b>	<b>103,226</b>	<b>(8,988)</b>	<b>(83,575)</b>	<b>10,663</b>	<b>629,570</b>	<b>12,199</b>	<b>(94,479)</b>	<b>547,290</b>

  

Cash Balance	601,714	436,960	497,200	1,535,874
Change from prior month.	79,335	(8,447)	(83,575)	(12,687)
Line of Credit			5,711,626	

## Attendance

Date	9:00 AM	11am	Streaming 9	Streaming 11	Special Service	Weekly Total	Average
1/3/2021	817	842	187	367		2213	2213
1/10/2021	937	711	213	328		2189	2201
1/17/2021	1000	649	163	309		2121	2174
1/24/2021	912	516	370	257		2055	2145
1/31/2021	1100	691	177	276		2244	2164
2/7/2021	919	725	165	306		2115	2156
2/14/2021	891	502	157	215		1765	2100
2/21/2021	758	538	174	258		1728	2053
2/28/2021	829	568	183	298	75	1953	2042

## Akita Registration

	A	B	C	D	E	F	G
1	<b>3/9/2021</b>						
2	<b>Session name</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Returner %</b>	<b>Capacity</b>	<b>Waitlisted</b>
36							
37	<b>Total: All, except Family Camp</b>	<b>454</b>	<b>747</b>	<b>1201</b>			<b>166</b>

## 2021 Pledging

<b>2021 Stewardship Summary as of 3/5/21</b>	<b>\$</b>	<b>#</b>	<b>Change</b>	<b>%</b>	<b>Avg. \$</b>
Pledges with increase	788,861	207	144,904	22.50%	3,810.92
Pledges with decrease	206,778	115	(87,552)	-29.75%	1,798.07
New pledges	74,094	63	74,094		1,176.10
No Change	848,682	379			2,239.27
<b>Total</b>	<b>1,918,415</b>	<b>764</b>	<b>131,446</b>	<b>4.99%</b>	<b>2,511.01</b>
2020 - as of 3/5/21	1,941,997	844			
Difference - 2021-2020	(23,582)	(80)			
2020 totals	1,976,192	869	30,059.94	1.548%	2,274.10
<b>Net change since last report</b>	<b>5,500</b>	<b>5</b>			<b>1,099.94</b>
<b>Members who pledged in 2020, not received for 2021</b>	<b>199,827</b>	<b>148</b>			
Possible goal	2,118,241	912			
Possible goal if increase holds	2,224,044				
<b>Pledges in 2020 over \$2,000 not received in 2021</b>	<b>99,500</b>	<b>27</b>	<b>3,685</b>		

**THE FIRST COMMUNITY CHURCH**

**FINANCIAL STATEMENTS**

**For the Years Ended  
December 31, 2019 and 2018**

To the Governing Board  
The First Community Church

## Independent Auditor's Report

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The First Community Church, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

As described more fully in Note 5 to the financial statements, The First Community Church has elected not to consolidate its financial statements with The First Community Foundation. In our opinion, accounting principles generally accepted in the United States of America require that the financial statements be consolidated.

**Qualified Opinion**

In our opinion, except for the election to not consolidate the financial statements with the required related entity, the financial statements referred to above present fairly, in all material respects, the financial position of The First Community Church as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "John Gerlach & Company LLP". The signature is written in a cursive, flowing style.

February 24, 2021  
Columbus, Ohio

THE FIRST COMMUNITY CHURCH  
STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash and cash equivalents	\$ 682,850	\$ 2,340
Accounts receivable	391,228	429,114
Pledges receivable	2,711,574	1,116,008
Grants receivable	19,134	89,308
Other current assets	12,104	1,002
	<u>3,816,890</u>	<u>1,637,772</u>
Property Assets:		
Land	2,713,166	2,685,510
Buildings and improvements	36,047,498	19,630,463
Equipment	2,854,004	2,782,361
Furniture	734,263	618,142
Construction in progress	2,156,490	13,265,245
	<u>44,505,421</u>	<u>38,981,721</u>
Less accumulated depreciation	15,407,664	14,591,531
	<u>29,097,757</u>	<u>24,390,190</u>
Pledges receivable - noncurrent	89,563	2,479,048
Cash restricted for long-term purposes	-	1,353,215
Total Assets	<u>\$ 33,004,210</u>	<u>\$ 29,860,225</u>

See Notes to Financial Statements

THE FIRST COMMUNITY CHURCH  
STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
Current Liabilities:		
Bank overdraft	\$ -	\$ 87,220
Current portion of long-term debt - related party	45,235	43,307
Accounts payable	422,312	1,569,164
Accrued and withheld items	217,974	865,617
Deferred revenue	425,132	475,234
Total Current Liabilities	<u>1,110,653</u>	<u>3,040,542</u>
Long-term debt - related party	-	45,404
Long-term debt	6,025,626	-
Total Liabilities	<u>7,136,279</u>	<u>3,085,946</u>
Net Assets:		
Without donor restrictions	22,164,948	20,904,279
With donor restrictions	3,702,983	5,870,000
Total Net Assets	<u>25,867,931</u>	<u>26,774,279</u>
 Total Liabilities and Net Assets	 <u>\$ 33,004,210</u>	 <u>\$ 29,860,225</u>

See Notes to Financial Statements



THE FIRST COMMUNITY CHURCH

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net Assets Without Donor Restrictions:		
Support and Revenues:		
Pledges and contributions	\$ 2,081,558	\$ 2,105,976
Fee revenue	1,973,598	2,008,710
Other revenue	235,600	306,822
Total	<u>4,290,756</u>	<u>4,421,508</u>
Net assets released from restrictions	3,673,936	8,043,891
Total Revenue and Other Support	<u>7,964,692</u>	<u>12,465,399</u>
Expenses:		
Program services		
Camp Akita	994,655	1,119,733
Children	1,186,574	1,121,956
Ministries	819,994	879,492
Missions	396,684	334,698
Other	197,567	165,857
Total Program Services	<u>3,595,474</u>	<u>3,621,736</u>
Support services		
General and administrative	2,979,992	2,482,166
Fundraising	128,557	60,319
Total Support Services	<u>3,108,549</u>	<u>2,542,485</u>
Total Expenses	<u>6,704,023</u>	<u>6,164,221</u>
Increase in Net Assets Without Donor Restrictions	<u>1,260,669</u>	<u>6,301,178</u>
Net Assets With Donor Restrictions:		
Contributions	1,506,919	2,852,140
Net assets released from restrictions	(3,673,936)	(8,043,891)
Decrease in Net Assets With Donor Restrictions	<u>(2,167,017)</u>	<u>(5,191,751)</u>
Increase (Decrease) in Net Assets	<u>(906,348)</u>	<u>1,109,427</u>
Net Assets at Beginning of Year	26,774,279	25,664,852
Net Assets at End of Year	<u>\$ 25,867,931</u>	<u>\$ 26,774,279</u>

See Notes to Financial Statements

THE FIRST COMMUNITY CHURCH  
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

	<u>Camp Akita</u>	<u>Children</u>	<u>Ministries</u>	<u>Missions</u>	<u>Other</u>	<u>Total Program Services</u>	<u>General and Admin- istrative</u>	<u>Fund- raising</u>	<u>Total Support Services</u>	<u>Total</u>
Staff salaries, payroll taxes and employee benefits	\$ 527,478	\$ 931,556	\$ 644,363	\$ 88,249	\$ 128,023	\$ 2,319,669	\$ 1,209,986	\$ 67,752	\$ 1,277,738	\$ 3,597,407
Programs	256,881	211,984	115,499	305,866	66,330	956,560	3,991	2,697	6,688	963,248
Professional services	-	17,478	-	-	-	17,478	120,188	4,000	124,188	141,666
Software maintenance	-	-	-	-	-	-	11,141	-	11,141	11,141
Bank and merchant services	-	-	-	-	-	-	48,953	-	48,953	48,953
Advertising and marketing	2,799	-	-	-	32	2,831	37,640	-	37,640	40,471
Telecast and captioning expenses	-	-	29,555	-	-	29,555	-	-	-	29,555
Supplies, printing and postage	13,478	12,920	26,672	2,514	2,173	57,757	30,701	10,589	41,290	99,047
Repairs and maintenance	54,757	490	3,905	-	150	59,302	190,493	-	190,493	249,795
Equipment rental	-	6,407	-	-	-	6,407	10,117	-	10,117	16,524
Occupancy, insurance, telephone and internet	96,490	-	-	55	859	97,404	310,410	-	310,410	407,814
Real estate taxes, bed and sales tax and interest	30,134	-	-	-	-	30,134	143,418	-	143,418	173,552
Dues, memberships and licenses	11,928	4,039	-	-	-	15,967	-	-	-	15,967
Miscellaneous expense	710	1,700	-	-	-	2,410	303	43,519	43,822	46,232
Denominational support	-	-	-	-	-	-	5,000	-	5,000	5,000
Total expenses exclusive of depreciation	<u>994,655</u>	<u>1,186,574</u>	<u>819,994</u>	<u>396,684</u>	<u>197,567</u>	<u>3,595,474</u>	<u>2,122,341</u>	<u>128,557</u>	<u>2,250,898</u>	<u>5,846,372</u>
Depreciation expense	-	-	-	-	-	-	857,651	-	857,651	857,651
Total Expenses	<u>\$ 994,655</u>	<u>\$ 1,186,574</u>	<u>\$ 819,994</u>	<u>\$ 396,684</u>	<u>\$ 197,567</u>	<u>\$ 3,595,474</u>	<u>\$ 2,979,992</u>	<u>\$ 128,557</u>	<u>\$ 3,108,549</u>	<u>\$ 6,704,023</u>

See Notes to Financial Statements

THE FIRST COMMUNITY CHURCH  
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2018

	<u>Camp Akita</u>	<u>Children</u>	<u>Ministries</u>	<u>Missions</u>	<u>Other</u>	<u>Total Program Services</u>	<u>General and Admin- istrative</u>	<u>Fund- raising</u>	<u>Total Support Services</u>	<u>Total</u>
Staff salaries, payroll taxes and employee benefits	\$ 556,381	\$ 859,097	\$ 653,353	\$ 84,277	\$ 100,149	\$ 2,253,257	\$ 1,133,023	\$ 51,300	\$ 1,184,323	\$ 3,437,580
Programs	261,725	227,711	165,681	239,678	60,499	955,294	4,544	230	4,774	960,068
Professional services	-	14,483	-	-	-	14,483	106,844	-	106,844	121,327
Software maintenance	-	-	-	-	-	-	10,783	-	10,783	10,783
Bank and merchant services	-	-	-	-	-	-	59,904	-	59,904	59,904
Advertising and marketing	3,788	-	-	4,915	-	8,703	31,221	-	31,221	39,924
Telecast and captioning expenses	-	-	27,825	-	-	27,825	-	-	-	27,825
Supplies, printing and postage	16,264	14,229	27,018	1,401	4,517	63,429	61,899	8,733	70,632	134,061
Repairs and maintenance	138,210	1,347	5,615	-	-	145,172	134,619	-	134,619	279,791
Equipment rental	-	3,186	-	-	-	3,186	17,584	-	17,584	20,770
Occupancy, insurance, telephone and internet	104,257	-	-	780	692	105,729	253,075	-	253,075	358,804
Real estate taxes, bed and sales tax and interest	19,529	-	-	-	-	19,529	4,460	-	4,460	23,989
Dues, memberships and licenses	13,242	1,903	-	-	-	15,145	-	-	-	15,145
Miscellaneous expense	6,337	-	-	3,647	-	9,984	2,085	56	2,141	12,125
Denominational support	-	-	-	-	-	-	12,500	-	12,500	12,500
Total expenses exclusive of depreciation	<u>1,119,733</u>	<u>1,121,956</u>	<u>879,492</u>	<u>334,698</u>	<u>165,857</u>	<u>3,621,736</u>	<u>1,832,541</u>	<u>60,319</u>	<u>1,892,860</u>	<u>5,514,596</u>
Depreciation expense	-	-	-	-	-	-	649,625	-	649,625	649,625
Total	<u>\$ 1,119,733</u>	<u>\$ 1,121,956</u>	<u>\$ 879,492</u>	<u>\$ 334,698</u>	<u>\$ 165,857</u>	<u>\$ 3,621,736</u>	<u>\$ 2,482,166</u>	<u>\$ 60,319</u>	<u>\$ 2,542,485</u>	<u>\$ 6,164,221</u>

See Notes to Financial Statements

THE FIRST COMMUNITY CHURCH

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ (906,348)	\$ 1,109,427
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	857,651	649,625
Contributions restricted for long-term purposes	(405,887)	(1,736,296)
Loss on disposal of property assets	6,393	-
(Increase) decrease in assets:		
Accounts receivable	37,886	(43,138)
Pledges receivable	(8,376)	(30,000)
Grants receivable	70,174	(1,148)
Prepaid expenses	(11,102)	(210)
Increase (decrease) in liabilities:		
Accounts payable	(1,396,503)	(788,337)
Accrued and withheld items	(747,643)	(104,181)
Deferred revenue	(50,102)	63,839
Total Adjustments	<u>(1,647,509)</u>	<u>(1,989,846)</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,553,857)</u>	<u>(880,419)</u>
Cash Flows from Investing Activities:		
Purchase of property assets	(5,221,960)	(7,023,017)
Decrease in cash restricted for long-term purposes	1,353,215	4,985,418
Net Cash Provided (Used) by Investing Activities	<u>(3,868,745)</u>	<u>(2,037,599)</u>
Cash Flows from Financing Activities:		
Repayment of notes payable - related party	(43,476)	(41,774)
Proceeds from borrowings on debt	6,025,626	-
Proceeds from contributions restricted for long-term purposes	1,208,182	2,037,525
Increase (decrease) in bank overdraft	(87,220)	87,220
Net Cash Provided (Used) by Financing Activities	<u>7,103,112</u>	<u>2,082,971</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>680,510</u>	<u>(835,047)</u>
Cash and Cash Equivalents at Beginning of Year	2,340	837,387
Cash and Cash Equivalents at End of Year	<u>\$ 682,850</u>	<u>\$ 2,340</u>
Supplemental Disclosure in Noncash Investing and Financing Transactions:		
Additions in property, plant and equipment included in liabilities	<u>\$ 349,651</u>	<u>\$ 2,214,903</u>
Supplemental Disclosure of Cash Flow Information:		
Cash payments for interest	<u>\$ 143,418</u>	<u>\$ 4,460</u>

See Notes to Financial Statements

THE FIRST COMMUNITY CHURCH

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 1 - Organization and Operation:  
The First Community Church (the Church) was founded as a non-profit corporation. The Church is a center for worship, celebration, study and fellowship and an inclusive Christian community serving individuals locally, nationally and worldwide.

Note 2 - Summary of Significant Accounting Policies:  
The financial statements of the Church have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Church reports net assets in the following categories:

Without Donor Restrictions – Those resources that are not subject to donor imposed restrictions. Donor restricted contributions whose restrictions are met in the same reporting period, are reported as contributions without donor restrictions.

With Donor Restrictions – Those resources subject to donor imposed restrictions which will be satisfied either by action of the Church and/or passage of time.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

Most expenses are charged directly to program and support services based on specific identification. A portion of staff salaries, payroll taxes and employee benefits were allocated based on estimated time spent for each function.

Contributions

Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, contributions with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Concentration of Credit

The Church maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

THE FIRST COMMUNITY CHURCH  
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents

The Church considers all cash accounts with an original maturity of three months or less to be cash or cash equivalents.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if donated, at fair market value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful life of the respective assets.

Income Taxes

The Church is exempt from Federal income tax under Internal Revenue Service Code Section 501(c)(3).

The Church has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) relating to uncertain tax positions. The Church does not believe that its financial statements should include any uncertain tax positions.

Deferred Revenue

Tuition revenue is billed at the beginning of the school year and recognized as revenue as it is earned throughout the school year.

Receivables and Allowance for Doubtful Accounts

The Church provides an allowance for doubtful accounts based on the aging of accounts receivable balances and historical write-off experience and on-going reviews of receivables. Measurement of potential losses requires credit review of existing relationships, consideration of historical loss experience, including the need to adjust for current conditions, and judgments about the probable effect of relevant observable data, including present economic conditions such as delinquency rates and economic health of customers.

Note 3 - Line-of-Credit:

The Church has a \$150,000 unsecured working capital line-of-credit on which no amounts were outstanding at December 31, 2019 or 2018. The variable interest rate on this line-of-credit is equal to the prime rate. During 2020 this line-of-credit was terminated.

THE FIRST COMMUNITY CHURCH  
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 4 -

Long-term Debt:

Long-term debt at December 31, 2019 and 2018 consisted of the following:

	2019	2018
Unsecured notes payable to related party with quarterly installments of \$12,052 including principal and interest at 4% and maturing in September 2020.	\$ 45,235	\$ 88,711
Loan agreement with a local bank with draws up to \$7,000,000. Under the terms of the agreement, outstanding principal balance bears a variable interest rate of LIBOR plus 1.25%. Interest payments are due monthly with the principal balance due upon maturity of the loan in May 2022. Repayment of the loan is guaranteed by a member of the Church.	6,025,626	-
Total	6,070,861	88,711
Less current portion of long-term debt	45,235	43,307
Total Long-term Debt	\$ 6,025,626	\$ 45,404

As of December 31, 2019, long-term debt matures as follows:

Year Ending December 31:	Amount
2020	\$ 45,235
2021	-
2022	6,025,626
Total	\$ 6,070,861

Note 5 -

Departures from Accounting Principles Generally Accepted in the United States of America:

Consolidation with Related Entity

The Church has elected to not consolidate its financial statements with The First Community Foundation although the board of trustees of The First Community Foundation is appointed by the Governing Board of the Church. The Church believes that the financial statements alone without the consolidation provide a more meaningful presentation. If the financial statements were corrected for the departure from accounting principles generally accepted in the United States of America, net assets would be increased by \$8,066,752 and \$7,425,656 and in 2019 and 2018, respectively.

THE FIRST COMMUNITY CHURCH  
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 6 - Related Party Transactions:  
The Church provides general and administrative services to The First Community Foundation in exchange for an administrative fee. The fees amounted to \$24,000 in both 2019 and 2018, respectively.

The First Community Foundation approved grants of \$330,722 and \$683,243 to the Church in 2019 and 2018, respectively. In addition, grants receivable from the First Community Foundation as of December 31, 2019 and 2018 were \$19,134 and \$89,308, respectively.

Note 7 - Pension Plan:  
After one year of employment, non-ordained support staff members are covered under the United Church of Christ lay person's defined contribution pension plan. The Church contributes a percentage of base salary for eligible staff members plus an additional match of voluntary contributions up to 2%. The total expense to the Church was \$94,200 and \$82,487 in 2019 and 2018, respectively.

Note 8 - Liquidity and Availability of Financial Assets:  
The Church has \$828,164 of financial assets available within one year of the statement of financial position date to meet cash needs for expenditures. Financial assets consist of cash and cash equivalents of \$436,936 and accounts receivable of \$391,228. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures within one year of the statement of financial position date. The Church structures its financial assets to be available as expenditures, liabilities, and other obligations come due. In addition, the Church will receive contributions without donor restrictions during 2020 that will be used to meet cash needs for expenditures.

Note 9 - Pledges Receivable:  
Pledges receivable relate to capital projects and are scheduled to be received as follows:

	2019	2018
Amounts due in:		
Less than one year	\$ 2,711,574	\$ 1,116,008
One to five years	89,563	2,479,048
Total	\$ 2,801,137	\$ 3,595,056



THE FIRST COMMUNITY CHURCH  
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 10 - Net Assets:  
Net assets with donor restrictions consist of the following at December 31:

	2019	2018
Capital projects	\$ 2,620,903	\$ 4,908,112
Time restricted	328,730	303,475
Missions	351,700	239,358
Education	95,245	89,060
Other	46,398	144,169
Worship and arts	52,457	62,230
Camp Akita	128,276	83,749
Maintenance and repair	66,256	28,869
Pastoral care	7,535	5,495
Spiritual searcher	5,483	5,483
Total	\$ 3,702,983	\$ 5,870,000

Note 11 - Reclassifications:  
Certain amounts in the 2018 financial statements have been reclassified to conform with the 2019 presentation. Such reclassifications had no effect on reported change in total net assets.

Note 12 - Subsequent Events:  
On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Church operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Church’s financial position, operations and cash flows.

In April 2020, the Church received a loan in the amount of \$639,289 as part of the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As of February 22, 2021, the loan was fully forgiven.

Subsequent events have been evaluated through February 24, 2021, which is the date the financial statements were available to be issued.

**FIRST COMMUNITY FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2019 and 2018**

Board of Trustees  
First Community Foundation, Inc.  
Columbus, Ohio

### Independent Auditor's Report

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the First Community Foundation, Inc. which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(1)

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the First Community Foundation, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*John Gerlach & Company LLP*

Columbus, Ohio  
November 23, 2020

FIRST COMMUNITY FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

As of December 31, 2019

<u>ASSETS</u>	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Cash and cash equivalents	\$ 447,448	\$ 139,165	\$ 586,613
Interest receivable	21,734	-	21,734
Other receivables	-	-	-
Investments	-	7,449,379	7,449,379
Housing assistance notes receivable	-	-	-
Notes receivable - related party	45,453	-	45,453
Total Assets	<u>\$ 514,635</u>	<u>\$ 7,588,544</u>	<u>\$ 8,103,179</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Liabilities:			
Accounts payable	\$ 17,293	\$ -	\$ 17,293
Grants payable	19,134	-	19,134
Total Liabilities	<u>36,427</u>	<u>-</u>	<u>36,427</u>
Net Assets	478,208	7,588,544	8,066,752
Total Liabilities and Net Assets	<u>\$ 514,635</u>	<u>\$ 7,588,544</u>	<u>\$ 8,103,179</u>

See Notes to Financial Statements

FIRST COMMUNITY FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

As of December 31, 2018

<u>ASSETS</u>	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Cash and cash equivalents	\$ 69,762	\$ 907,376	\$ 977,138
Interest receivable	21,019	-	21,019
Other receivables	19,232	-	19,232
Investments	-	6,394,661	6,394,661
Housing assistance notes receivable	34,267	-	34,267
Notes receivable - related party	88,711	-	88,711
Total Assets	<u>\$ 232,991</u>	<u>\$ 7,302,037</u>	<u>\$ 7,535,028</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Liabilities:			
Accounts payable	\$ 16,445	\$ -	\$ 16,445
Grants payable	92,927	-	92,927
Total Liabilities	<u>109,372</u>	<u>-</u>	<u>109,372</u>
Net Assets	123,619	7,302,037	7,425,656
Total Liabilities and Net Assets	<u>\$ 232,991</u>	<u>\$ 7,302,037</u>	<u>\$ 7,535,028</u>

See Notes to Financial Statements

FIRST COMMUNITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue:			
Gifts and bequests	\$ 416,314	\$ 415,717	\$ 832,031
Dividends and interest, net of investment fees	7,890	142,595	150,485
Net realized and unrealized gain on investments	30,450	1,190,979	1,221,429
Other income	3,500	-	3,500
Net assets released from restrictions	1,462,784	(1,462,784)	-
 Total Support and Revenue	 <u>1,920,938</u>	 <u>286,507</u>	 <u>2,207,445</u>
Expense:			
Program grants (net of rescinds)	1,444,282	-	1,444,282
Net realized and unrealized loss on investments	-	-	-
General and administrative expense	122,067	-	122,067
 Total Expense	 <u>1,566,349</u>	 <u>-</u>	 <u>1,566,349</u>
 Increase (Decrease) in Net Assets	 <u>354,589</u>	 <u>286,507</u>	 <u>641,096</u>
 Net Asset Reclassification	 -	 -	 -
 Net Assets, Beginning of Year	 123,619	 7,302,037	 7,425,656
 Net Assets, End of Year	 <u>\$ 478,208</u>	 <u>\$ 7,588,544</u>	 <u>\$ 8,066,752</u>

See Notes to Financial Statements

FIRST COMMUNITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue:			
Gifts and bequests	\$ 110,341	\$ 791,551	\$ 901,892
Dividends and interest, net of investment fees	2,145	151,954	154,099
Net realized and unrealized gain on investments	-	-	-
Other income	-	-	-
Net assets released from restrictions	851,229	(851,229)	-
 Total Support and Revenue	 <u>963,715</u>	 <u>92,276</u>	 <u>1,055,991</u>
Expense:			
Program grants (net of rescinds)	881,402	-	881,402
Net realized and unrealized loss on investments	2,771	298,647	301,418
General and administrative expense	150,163	-	150,163
 Total Expense	 <u>1,034,336</u>	 <u>298,647</u>	 <u>1,332,983</u>
Increase (Decrease) in Net Assets	<u>(70,621)</u>	<u>(206,371)</u>	<u>(276,992)</u>
Net Asset Reclassification	29,382	(29,382)	-
Net Assets, Beginning of Year	164,858	7,537,790	7,702,648
Net Assets, End of Year	<u>\$ 123,619</u>	<u>\$ 7,302,037</u>	<u>\$ 7,425,656</u>

See Notes to Financial Statements



FIRST COMMUNITY FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ 641,096	\$ (276,992)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized (gain) loss on investments	(1,221,429)	301,418
Contributions restricted for long-term purposes	(108,912)	(14,384)
(Increase) decrease in assets:		
Interest receivable	(715)	(2,732)
Other receivables	19,232	(19,232)
Cash surrender value of life insurance	-	3,619
Increase (decrease) in liabilities:		
Accounts payable	848	15,410
Grants payable	(73,793)	(8,880)
Total Adjustments	<u>(1,384,769)</u>	<u>275,219</u>
Net Cash Provided (Used) by Operating Activities	<u>(743,673)</u>	<u>(1,773)</u>
Cash Flows from Investing Activities:		
Purchases of investments	(2,035,623)	(2,745,030)
Proceeds from sale or maturity of investments	2,202,334	3,235,987
Payments received on notes receivable	43,258	41,774
Payments received on housing assistance notes receivable	34,267	-
Net Cash Provided (Used) by Investing Activities	<u>244,236</u>	<u>532,731</u>
Cash Flows from Financing Activities:		
Proceeds from contributions restricted for long-term purposes	108,912	14,384
Net Cash Provided (Used) by Financing Activities	<u>108,912</u>	<u>14,384</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(390,525)</u>	<u>545,342</u>
Cash and Cash Equivalents at Beginning of Year	977,138	431,796
Cash and Cash Equivalents at End of Year	<u>\$ 586,613</u>	<u>\$ 977,138</u>

See Notes to Financial Statements

FIRST COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 1 - Organization and Operation:

First Community Foundation (the Foundation), was founded as a non-profit corporation. The functions of the Foundation are to provide financial support to the ministries and programs of First Community Church (related party), needy people and other service organizations consistent with the general philosophy of the First Community Church.

Note 2 - Summary of Significant Accounting Policies:

The financial statements of the Foundation conform to accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, are prepared in accordance with the accrual basis of accounting, and reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The Foundation is required to disclose, on a functional basis, costs associated with each program. Substantially all of the expenses incurred by the Foundation relate specifically to the Foundation's primary program, to provide grants in support of programs of First Community Church, needy people and other service organizations within the community. Any expenses incurred which do not directly relate to these purposes are deemed immaterial for financial statement purposes and therefore, are not shown separately.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions received are recorded as support without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Foundation considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Investments

Securities held by the Foundation are reported at approximate market value with the annual market value changes distributed to the various capital funds by weighted average of the quarterly fund balances. Certain funds holding life insurance policies do not participate in the distribution.

Income Taxes

The Foundation is exempt from Federal income tax under Internal Revenue Service Code Section 501(c)(3) and is not considered a private foundation by virtue of Section 170(b)(1)(A)(i).

FIRST COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued):

Income Taxes (continued)

The Foundation has adopted the provisions of the Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) relating to uncertain tax positions. The Foundation does not believe its financial statements include any uncertain tax positions.

Note 3 - Investments:

Investments consist of pooled investments held by the Foundation. Investments are reported at fair value as further described herein. Realized and unrealized gains and losses are included in the statement of activities.

Investments are exposed to various risks such as interest rate, market and credit risks. Accordingly, it is at least reasonably possible that changes in the values of investments will occur in the near term, which could be material.

	<u>Cost</u>	<u>Fair Market Value</u> 2019	<u>Unrealized Gain (Loss)</u>
<b>Marketable Securities:</b>			
Federal obligations	\$ 977,551	\$ 1,002,521	\$ 24,970
Corporate bonds	1,214,186	1,247,900	33,714
Common stocks	2,029,880	2,880,778	850,898
Mutual funds	1,765,109	2,191,887	426,778
Total Marketable Securities	<u>5,986,726</u>	<u>7,323,086</u>	<u>1,336,360</u>
<b>Other Investments:</b>			
Certificates of deposit	119,467	126,293	6,826
Total investments	<u>\$ 6,106,193</u>	<u>\$ 7,449,379</u>	<u>\$ 1,343,186</u>
<hr/>			
2018			
<b>Marketable Securities:</b>			
Federal obligations	\$ 801,770	\$ 797,774	\$ (3,996)
Corporate bonds	1,363,625	1,312,659	(50,966)
Common stocks	2,360,836	2,680,925	320,089
Mutual funds	1,340,498	1,484,289	143,791
Total Marketable Securities	<u>5,866,729</u>	<u>6,275,647</u>	<u>408,918</u>
<b>Other Investments:</b>			
Certificates of deposit	119,467	119,014	(453)
Total investments	<u>\$ 5,986,196</u>	<u>\$ 6,394,661</u>	<u>\$ 408,465</u>

FIRST COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 4 - Assets and Liabilities – Fair Value Information:

In accordance with the Fair Value Measurements and Disclosures Topic of the FASB ASC, all financial instruments that are being measured and reported on a fair value basis must be classified and disclosed in one of the following three categories.

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Assets measured at fair value on a recurring basis were as follows:

Description	December 31, 2019			
	Total	Level 1	Level 2	Level 3
Marketable securities:				
Federal obligations	\$ 1,002,521	\$ 1,002,521	\$ -	\$ -
Corporate bonds	1,247,900	1,247,900	-	-
Common stocks - domestic	2,387,397	2,387,397	-	-
Common stocks - international	493,381	493,381	-	-
Mutual funds - bonds	407,183	407,183	-	-
Mutual funds - equity	1,784,704	1,784,704	-	-
Total	<u>\$ 7,323,086</u>	<u>\$ 7,323,086</u>	<u>\$ -</u>	<u>\$ -</u>

Description	December 31, 2018			
	Total	Level 1	Level 2	Level 3
Marketable securities:				
Federal obligations	\$ 797,774	\$ 797,774	\$ -	\$ -
Corporate bonds	1,312,659	1,312,659	-	-
Common stocks - domestic	2,367,659	2,367,659	-	-
Common stocks - international	313,266	313,266	-	-
Mutual funds - bonds	263,048	263,048	-	-
Mutual funds - equity	1,221,241	1,221,241	-	-
Total	<u>\$ 6,275,647</u>	<u>\$ 6,275,647</u>	<u>\$ -</u>	<u>\$ -</u>

FIRST COMMUNITY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 5 - Housing Assistance Notes Receivable:

The Foundation holds a note receivable with an employee of the First Community Church. The note is an equity sharing arrangement in which the Foundation will receive the face value of the note plus a percentage of the appreciation of the home. The note is recorded at the lower of cost or market value. The note receivable matures upon either the sale of the home or employment ceasing with the First Community Church. The home was sold in 2019 and the Foundation received payment in full for the note receivable plus \$3,685 as part of the equity sharing arrangement.

Note 6 - Grants:

The following summarizes changes in grants payable as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Balance at beginning of year	\$ 92,927	\$ 101,807
Grants approved (net of rescinds)	1,444,282	881,402
Grants paid	(1,518,075)	(890,282)
Balance at end of year	<u>\$ 19,134</u>	<u>\$ 92,927</u>

Grants payable are scheduled to be disbursed in 2020.

Note 7 - Endowment Funds:

The Foundation's endowment consists of several individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

FIRST COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 7 - Endowment Funds (continued):

Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted the State of Ohio's Uniform Prudent Management Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions to be maintained in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment fund with donor restrictions that is not required to be maintained in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the donor-restricted endowment fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

Endowment Net Asset Composition:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 5,215,438	\$ 5,215,438

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 4,276,186	\$ 4,276,186

FIRST COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 7 - Endowment Funds (continued):  
Changes in Endowment Net Assets:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets (deficit) beginning of year	\$ -	\$ 4,276,186	\$ 4,276,186
Investment return:			
Dividends and interest	-	115,914	115,914
Net realized and unrealized gain (loss) on investments	-	741,265	741,265
Total investment return	-	857,179	857,179
Contributions	-	153,653	153,653
Appropriation of endowment assets for expenditure	-	(71,580)	(71,580)
Transfer from non-endowed funds	-	-	-
Net asset reclassification	-	-	-
Endowment net assets (deficit) end of year	\$ -	\$ 5,215,438	\$ 5,215,438

FIRST COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 7 - Endowment Funds (continued):

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets (deficit) beginning of year	\$ (54,903)	\$ 4,338,766	\$ 4,283,863
Investment return:			
Dividends and interest	-	114,051	114,051
Net realized and unrealized gain (loss) on investments	-	(179,531)	(179,531)
Total investment return	-	(65,480)	(65,480)
Contributions	-	151,325	151,325
Appropriation of endowment assets for expenditure	-	(160,844)	(160,844)
Transfer from non-endowed funds	-	41,801	41,801
Net asset reclassification	54,903	(29,382)	25,521
Endowment net assets (deficit) end of year	\$ -	\$ 4,276,186	\$ 4,276,186

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in 2 donor-restricted endowment funds, which together have an original gift value of \$62,260, and a deficiency of \$4,931 at December 31, 2018. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. There were no such funds at December 31, 2019.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in 40-70% equity investments, 30-55% fixed income investments and 5-25% cash equivalent investments. Equity performance will be measured in relation to the S&P 500 index and fixed income performance will be measured against the Lehman Intermediate Government/Corporation Index.



FIRST COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 7 - Endowment Funds (continued):

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment funds set up as Foundation funds using the average fair value of the prior 12 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. Funds that are set up to benefit the First Community Church or First Community Village are appropriated based on available funds and need. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at a reasonable rate to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Note 8 - Liquidity and Availability of Financial Assets:

The Foundation has \$514,635 of financial assets available within one year of the statement of financial position to meet cash needs for expenditures. Financial assets consist of cash and cash equivalents of \$447,448, interest receivable of \$21,734 and notes receivable of \$45,453. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for grants and other expenditures within one year of the statement of financial position date. The Foundation structures its financial assets to be available as expenditures, liabilities, and other obligations come due.

Note 9 - Related Party Transactions:

The Board of Trustees of the Foundation is appointed by the Governing Board of the First Community Church.

The Foundation received certain general and administrative services from the First Community Church in exchange for an administrative fee. The fees amounted to \$24,000 in both 2019 and 2018.

The Foundation approved grants to the First Community Church of \$330,722 and \$683,243 in 2019 and 2018, respectively. In addition, grants payable to the First Community Church as of December 31, 2019 and 2018 were \$19,134 and \$89,308, respectively.

The Foundation holds a note receivable due from the First Community Church. The outstanding balance was \$45,453 and \$88,711 as of December 31, 2019 and 2018, respectively. The unsecured note is at a fixed interest rate of 4% and monthly principal and interest payments are to be received through September 2020.

FIRST COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 10 - Concentration of Economic Credit:

The Foundation has invested in various securities. Because fluctuations in both the stock and bond markets will from time to time impact the value of the Foundation's assets, the selected investments are conservative in nature and diversified to minimize the impact of these market value fluctuations. Also, the Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts.

Note 11 - General and Administrative Expenses:

General and administrative expenses consist of the following for the year ended December 31:

	<u>2019</u>	<u>2018</u>
Payroll, benefits and related taxes	66,859	82,421
Administrative fee	24,000	24,000
Computer software support and training	10,500	17,344
Audit & legal fees	9,075	13,700
Insurance	3,200	3,200
Special events	5,139	2,757
Consulting fees	-	2,660
Postage and printing expenses	1,666	1,577
Other expenses	1,628	2,504
Total	<u>\$ 122,067</u>	<u>\$ 150,163</u>

Note 12 - Net Assets:

Net assets with donor restrictions consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Endowment funds - corpus	\$ 3,364,304	\$ 3,184,791
Missions	291,452	1,072,947
First Community Village	687,789	594,134
Worship and arts	389,928	517,044
Camp Akita	939,818	487,092
Maintenance and repair	386,053	229,895
Youth and children	275,819	218,438
Pastoral education and support	150,978	95,982
Other programs	1,102,403	901,714
Total	<u>\$ 7,588,544</u>	<u>\$ 7,302,037</u>

FIRST COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Note 13 - Subsequent Events:

Subsequent events have been evaluated through November 23, 2020, which is the date the financial statements were available to be issued.

Congregational Care Liaison Report  
March 2021  
Submitted by Sally Hughes

The congressional care meeting was great.

Here is the summary:

- Burkhart/Sweetheart luncheon invites going out this week. We have sponsors, goodie bags, roses. They will be delivered on the day of the luncheon, May 1.
- Congressional care is on top of cards for anniversary of deaths sign ups
- They are considering recreating an in person retreat for their group once covid is past us and the buildings are open (hopefully August or September)-perhaps outside since that would be even safer
- Rev Long is set to retire in December. Is the church doing something for him? Can Cong care help since his is the minister for Cong Care?

I spoke to them about our strategic planning meeting last weekend and that we'll update them when we vet the information. I told them how amazing Rev Rice was as she spoke about the changing dynamics in religion. How we were pursuing innovation in our church through social media etc.

We received forgiveness for the PPP round 1, so we're in good financial standing. Akita registrations are good, in person services should resume around April 25<sup>th</sup> though Rev Miles brought up April 11<sup>th</sup> today

The meeting lasted about 35 minutes.

# **First Community Church Nominating Committee Bylaws**

## **Preamble**

First Community is called to embody the Gospel of Jesus Christ through the power of the Holy Spirit and the eternal love of God, honoring and expanding our heritage of innovative ministry with a commitment to growth.

Our beliefs:

- Modeling God's unconditional love
- Acceptance which transcends tolerance
- Taking the Bible seriously and not literally
- Other pathways to the Divine
- Compassionate action
- Honoring tradition

Our Vision:

A socially progressive community fostering inclusiveness, diversity, and service that makes a positive difference.

Our Persona:

- Non-judgmental of people and ideas
- Curious; questioning and inquisitive
- Engaged – active and participatory involvement
- Empathetic
- Compassionate and understanding
- Loving – caring and warmhearted
- Joyful – celebratory and happy

## **ARTICLE I - PURPOSE**

The Nominating Committee is a committee representing and elected by the members of the Church. The Nominating Committee is designed to provide a democratic, fair and efficient path for the Church's elections. These functions of the Nominating Committee are in accordance with Article 8 of the Constitution of First Community Church as amended January 30, 2021.

### **Section 1.1 – Functions of the Nominating Committee**

- a. The Nominating Committee shall provide the proper ballots and supervise the election at the annual church member meeting.
- b. The Nominating Committee shall select and nominate candidates for the Governing Board and the Board of Deacons, and shall present these slates

at the annual church member meeting. The number of nominees presented by the Committee shall be equal to the number of vacancies to be filled, unless the Governing Board directs that a greater or lesser number be nominated.

- c. The Nominating Committee counts and tabulates the votes of the new Nominating Committee candidates after the confidential ballot vote after the annual church member meeting.
- d. A compilation of “Best Practices” for this Nominating Committee may be found in Appendix A of this Bylaws document.

## **ARTICLE II – MEMBERSHIP**

The Nominating Committee consists of twenty-four members in good standing as defined by the Constitution of First Community Church, as amended January 30, 2021. Nominating Committee members have been members of the church for a time sufficient to know and be actively engaged in the programs and business of the church. The twenty-four members include a Chair and Vice-Chair of the Nominating Committee.

### **Section 2.1 Voting Members**

Voting members include twenty-four Nominating Committee members voted in at the annual church member meeting.

### **Section 2.2 Non-voting Members**

Non-voting members of the Nominating Committee may include the Immediate Past Chair of the Governing Board and the Immediate Past Chair of the Board of Deacons.

Non-voting members of the Nominating Committee may be appointed at the discretion of this Committee upon a majority vote of the members.

### **Section 2.3 Selection of Members**

Each year at the annual church member meeting, the Governing Board shall report to the members assembled, a list of twenty-four candidates for the Nominating Committee selected by the Governing Board as qualified to serve on the Nominating Committee including up to twelve names submitted by the Church’s current Boards, Councils and Committees, up to six submitted by the current Governing Board and up to six submitted by the current ordained clergy or members in good standing as described in Article II, Section 2 of the Constitution of First Community Church, as amended January 30, 2021.

### **Section 2.4 Term of Office**

The term of office of members of the Nominating Committee is two years. No member shall serve two consecutive terms. Terms of one-half or twelve of the members of the Nominating Committee shall expire at each annual church member meeting.

A Nominating Committee member may resign at any time with written notice to the Chair of the Committee.

### **Section 2.5 – Vacancies**

Vacancies occurring after the selection and voting at the annual church member meeting will not be filled.

## **ARTICLE III – CONDUCT OF BUSINESS**

### **Section 3.1 Meetings**

Nominating Committee meetings are held in person at First Community, virtually or at an alternate location as determined appropriate by the Chair.

The operational year of the Nominating Committee is February 1 through January 31 unless otherwise changed and documented as an Amendment to these Bylaws.

The initial meeting, no later than the fourth full month following the annual church member meeting will include both voting and non-voting members of the Nominating Committee. The Nominating Committee shall hold at least two additional meetings during the year beginning with the annual church member meeting to complete its purpose as described in Article I above.

Nominating Committee members shall attend the annual church member meeting to complete the vote tabulation for new members of the Nominating Committee.

The Nominating Committee Chair will set the regular meeting schedule. Notice of meetings will be provided with a minimum one (1) week notice by email or any other reasonable means. The Nominating Committee Chair may call a special meeting with a minimum three (3) days notice by email or any reasonable means. The Nominating Committee Chair may provide a notice of meeting cancellation in any reasonable manner.

### **Section 3.2 Conduct of Meeting**

The Nominating Committee Chair will develop the agenda and preside at the Nominating Committee meetings. In the absence of the Chair, the Vice-chair will preside.

### **Section 3.3 Voting Procedures and Quorum**

Members must be present in order to cast a vote. In the event of a tie vote, the motion shall be deemed to have failed. Any member may re-introduce the matter for a subsequent vote(s).

A quorum consists of a simple majority of the members present at the meeting so long as it is a meeting that has been properly called.

## **ARTICLE IV – OFFICERS**

### **Section 4.1 Chair**

The Chair serves a one-year term commencing no later than four full months after the annual church member meeting. The Chair is selected from the second-year members of the Nominating Committee.

- a. The Chair develops the meeting agendas and presides at meetings and coordinate activities and follow-up as needed.
- b. The Chair works closely with the Vice-Chair to insure continuity.
- c. The Chair reports the slates of Governing Board and Board of Deacons nominees at the Governing Board’s regular meeting no later than two (2) months prior to the annual church member meeting.

### **Section 4.2 Vice-Chair**

The Vice-Chair serves up to a one-year term and is expected to become Chair the following year. The Vice-Chair of the Nominating Committee may volunteer for the role or be selected by the Chair at or soon after the first Nominating Committee meeting subject to a vote of the Nominating Committee members.

- a. In the absence of the Chair, the Vice-Chair presides over all meetings and executes any functions of the Chair..

### **Section 4.3 Secretary**

There is currently no Secretary position for the Nominating Committee. A Secretary may be appointed at the discretion of this Committee upon a majority vote of the members.

### **Section 4.4 Other Officers**

There are currently no Other Officers for the Nominating Committee. Other Officers may be appointed at the discretion of this Committee upon a majority vote of the members.

## **ARTICLE V – COMMITTEES**

The Nominating Committee operates as a single committee. There are no sub-committees. However it is the Chair’s prerogative to call special committee work as needed. A past special committee created a comprehensive listing of “Best Practices” which is included in he Appendix A.

## **ARTICLE VI – AMENDMENTS**

The Nominating Committee will review the Bylaws every five (5) years, or as necessary, make any necessary changes and submit to the Governing Board for approval.



## **ARTICLE VII – PARLIAMENTARY PROCEDURES**

Roberts Rules of Order shall govern the conduct of all meetings of the Nominating Committee.

**Approved by Governing Board March 24,2021**

## **APPENDIX**

## **APPENDIX A**

### **Best Practices**

## **Appendix A – Best Practices**

### **Section 1 - Timeline of Annual Nominating Committee Events**

#### **March - April** – First Nominating Committee Meeting

- First and second year members attend along with the current Nominating Committee Chair and the incoming Chair. If an Incoming Chair has not been selected, there is a self-nomination or a nomination from the floor and a vote is held.
- The Chair distributes the Schedule of Events and the reviews the nomination process.
- The Chair may want to establish a potential Nominating Committee meeting scheduled for early to mid August in the event updates or other information needs to be discussed. The meeting can be cancelled if it is not needed.
- This is the last event for the current Chair of the Nominating Committee.
- The Incoming Chair asks for a volunteer or nomination from the new class to serve as Vice-Chair.

#### **May - June**

- Nominating Committee Chair confers with Governing Board Chair to determine key skills and experience for the open Governing Board positions.
- Nominating Committee Chair and Governing Board Chair review the Governing Board Qualifications and Activities document to identify and complete any needed updates.
- Nominating Committee Chair confers with Chair or Immediate Past Chair of the Board of Deacons to review the Qualifications and Activities document to identify and complete any needed updates.

#### **July** – Review and Update of the Nomination Form and Cover Letter

- The Nominating Committee Chair will review and update the Nomination Form and Cover Letter as needed with the staff coordinator or equivalent (currently Congregational Care Coordinator Robin Hood). See page following for sample Cover Letter from Nominating Committee Chair and Nomination Form.
- The staff coordinator or equivalent (currently Congregational Care Coordinator Robin Hood) will reach out to the Marketing contact to update the nomination form and cover letter and add the names of the new Nominating Committee members.

- Begin the communication of the Nominating Committee process to the church membership via all church communication.

**August** – Nomination Process Begins early in the month

**Early August**

- Nomination process begins
- Cover letter and Nomination Forms are distributed to church members electronically via standard First Community communication and hard copies are stocked at each First Community location.
- Online nomination form is activated.
- Nominating Committee Chair and staff coordinator or equivalent (currently Congregational Care Coordinator Robin Hood) will draft a cover email to the Nominating Committee members to recap the process, communicate the goal of three (3) nominations each for the Governing Board and Board of Deacons and send the nomination form along with:
  - Lists of current and past members of the Governing Board and Board of Deacons
  - The Qualifications and Activities documents for Governing Board and Board of Deacons
  - The Membership at First Community Brochure
  - Desired skill sets for Governing Board and Board of Deacons
  - If needed, for rosters for other committees and councils

**Mid August**

- If needed, a Nominating Committee meeting will be held to review the process and cover any updates and questions. If a Vice-Chair has not yet been identified, the Chair may seek nominations and a vote.
- The Chair works with the staff coordinator or equivalent (currently Congregational Care Coordinator Robin Hood) and the volunteer coder (currently Brad Griffith) for the e-voting process to set -up and testing for the current cycle. Note: there will be a change needed in 2021 due to the elimination of separate male / female slates for the change in Board of Deacons. Note: consider a staff member to take responsibility for the voting system.

**August third week** Email to Nominating Committee with reminder of the process and nomination goal per member and any updates. Nomination deadline is mid September. In addition, insure the nomination process reminder is included in the late August and September all church communications.

**September** – Nomination Process Close / Eligibility Confirmation / Meetings Begin

**Mid September**

- The staff coordinator or equivalent (currently Congregational Care Coordinator Robin Hood) will compile the names and information for all nominees.
- The package will be submitted to the Executive Director of Operations of First Community or equivalent (currently Paul Anderson) for eligibility confirmation.

**September – second / third week**– First working meeting of the Nominating Committee to vote on the Governing Board slate. The ranked slate is provided to the staff coordinator or equivalent (currently Congregational Care Coordinator Robin Hood) for communication to the Senior Minister who will reach out to the nominees in rank order to secure agreement to service.

All Nominating Committee members will sign a Confidentiality Agreement. Obtain this agreement from Executive Director of Operations (Paul Anderson).

**October** - Meetings conclude / Coordination with Immediate Past Chair of the Governing Board

- **October – first week**– Second working meeting of the Nominating Committee to vote on the Board of Deacons slate. The ranked slate is provided to the staff coordinator or equivalent (currently Congregational Care Coordinator Robin Hood) for communication to the Minister of Congregational care to call and secure agreement to service. If a Vice-Chair has not yet been selected, the Chair may seek nominations and a vote.
- **Coordination with Immediate Past Chair of the Governing Board** – As soon as practical after the second working meeting of the Nominating Committee, the Nominating Committee Chair will advise the Immediate Past Chair of the Governing Board of the process status. The Immediate Past Chair of the Governing Board will use the final slate for the Governing Board and Board of Deacons to insure there is no duplication on the potential list of Nominating Committee candidates. Note: the Immediate Past Chair of the Governing Board begins this process in early August.

**November** – No later than first week of November, the Nominating Committee Chair will notify the Governing Board Chair of the completion of the Governing Board and Board of Deacons slates and provide the names of the nominees.

**December** – There are no scheduled Activities in December.

**January** - Annual church member meeting / Election / Vote tabulation

- Nominating Committee Chair presents slate of Governing Board and Board of Deacons candidates for a vote of the members.
- First Community membership in attendance and the annual church member meeting votes for 12 of 24 Nominating Committee candidates.
- The Nominating committee oversees the election and collects and tabulates the ballots.
- This is the last event for second year members excluding the Nominating Committee Chair.

## **Section 2 - Nominee Eligibility**

### **2.1 General Eligibility**

Nominating Committee members should nominate members of First Community in good standing as defined by the Membership at First Community brochure (undated). Nominating Committee members are encouraged to nominate those who have not yet held the position.

### **2.2 Ineligible Nominees and Special Considerations**

#### **a. Governing Board**

- First Community staff members and their spouses are not eligible for consideration.
- Parents and adult children of the Senior Minister or the Executive Director of Operations are also not eligible for consideration. Parents and adult children of other clergy may be considered with an understanding of the role the clergy serve and that there may be conflict of interests that may require an abstention from voting or an exclusion from a particular discussion of the Governing Board
- Any person currently serving on the Governing Board or Board of Deacons
- Any person currently serving on the Nominating Committee

#### **b. Board of Deacons and Nominating Committee**

- First Community staff members and their spouses are not eligible for consideration.
- Spouse of the Senior Minister and spouse of the Executive Director of Operations are not eligible for consideration of the Board of Deacons and the Nominating Committee.
- Any person currently serving on the Governing Board or Board of Deacons.

- Any person currently serving on the Nominating Committee

### **2.3 Nominee's Current Term of Service**

If a nominee's term on the Governing Board or Board of Deacons is scheduled to end before service on the Governing Board or Board of Deacons is set to begin, the candidate is eligible for nomination.

### **2.4 Family Member Nominations**

If a family member of a Nominating Committee member is nominated for the Governing Board or Board of Deacons, the Nominating Committee member will recuse oneself from the discussion and vote for that nominee.

### **Section 3 - Nominating Committee Vote Tabulation - Tie Vote**

In the event a tie vote occurs for the twelfth (12<sup>th</sup>) Nominating Committee candidate, the tie is broken by a vote of the Nominating Committee members.



**APPENDIX B**

**Membership at First Community Brochure**

### Active Membership

Membership at First Community is a uniquely personal, spiritual experience. Through membership, active worship attendance, and learning, you will enhance the richness of your own spiritual journey. You will gain the strength that comes when you know you are not alone, and the courage to continue your journey of faith in the world. Your efforts for the common good will multiply by joining hands and hearts with others. Belonging means giving and receiving. It means supporting God's mission with your time, talent, and financial resources. Membership enriches your life as you receive God's love and give of yourself in response.

### Associate Membership

Associate members have the same benefits and responsibilities as members. Associates retain membership in two congregations (no letter of transfer will be sent).



Carrie Schwab  
Director of Membership Engagement

cschwab@FCchurch.com  
(614) 488-0681, ext. 161



## Membership at First Community



FCchurch.com

### Membership Covenant

This covenant between members and Church leadership creates and clarifies mutual promises, commitments, and responsibilities.

The First Community Leadership (the Governing Board, staff, councils, and committees) covenants to:

- Welcome all, wherever they are on their faith journey.
- Treat everyone with the same unconditional love, acceptance, and respect that Jesus gave to all people.
- Provide members and their families age-appropriate opportunities for worship, education, study, fellowship, and celebration in ways that broaden spiritual understanding and help manifest God's presence throughout their lives.
- Provide spiritual and emotional support in times of need.
- Provide opportunities for members to live their faith through service and mission and show appreciation for their dedication.
- Be good stewards by carrying out these commitments within available resources.



As a member of First Community, I covenant to:

- Be faithful in attending worship.
- Enhance my spiritual journey through study, prayer, and action.
- Seek daily to live and act in ways that help make Christ's example of God's love for all people real.
- Give of my time and talent by participating in missions, groups, or projects that inspire me.
- Invite and welcome others to worship services and other programs.
- Prayerfully commit my financial resources, as I am able, to help carry out the work of the Church, including making and fulfilling my annual pledge or contribute financially to the Church's operating campaign.

*Leadership roles on Church boards, councils, and committees require all requirements of the member covenant to be met.*

### What Membership Means

- Voting privileges on congregational issues brought to a vote.
- The opportunity to attend and speak at congregational meetings.
- The opportunity to serve on boards and councils.
- Receive all church-wide communication at no charge.
- Reduced fees for the use of the church facilities for events and special services, i.e. weddings and memorial services.
- Advanced opportunity to register and exemption from paying the non-member participation fee for Akita.
- Preferential registration for openings in the First Community Preschool and the Mary Evans Child Development Center.

### Change of Membership

Membership at First Community can be terminated by the member. Members can request a transfer of membership to another congregation, or can contact the membership office to terminate your membership.

**APPENDIX C**

**Qualifications for and Activities of  
First Community Governing Board Member**



## Nominating Committee

# Qualifications for and Activities of First Community Governing Board Member

## **Qualifications for Membership on the Governing Board**

The Purpose of the Governing Board is to set the mission, determine strategic direction and provide oversight of the finances, operations, and policies of First Community. The Governing Board, as the sole member of the First Community Foundation, provides oversight regarding its operations.

A Governing Board member must be an active member who has contributed to the church's operating effort for at least one year. As a candidate is voted in as a Governing Board member, the member must then agree to pledge or contribute to the operating effort throughout their term on the Governing Board.

The Governing Board highly recommends that Governing Board member candidates have pledged to the operating effort for three years before being nominated to the Governing Board as this demonstrates on-going commitment and helps the Board establish its annual budget and accordingly, the church's programming.

Under Ohio law, the fiduciary duties of a Governing Board member are:

1. Duty of care that an ordinary prudent person would use.
2. Duty of loyalty that is undivided and unselfish.
3. Duty of obedience to Federal and Ohio law, the First Community

Constitution, By-laws of the Board, Board policies and actions.

4. Duty to understand and provide oversight over the financial affairs

of First Community.

The attributes of an effective Governing Board Member are:

1. Strategically focused
2. Ability to think globally about First Community, its ministries and programs
3. Ability to accept differing points of view
4. Communication
5. Confidentiality

A Governing Board member nominee should:

1. Understand the purpose and responsibilities of the Governing Board.
2. Be willing and able to set aside his or her individual desires to serve the

greater good of the church.

3. Be willing and able to process information; be confident in participating in

Board and public discussion; and be comfortable making decisions.

4. Have the capacity to serve as Governing Board Chair.
5. Be committed to the time required for Governing Board responsibilities,
6. including monthly Board meetings (fourth Wednesday of the month) and

other meetings as required.

7. Attend worship and other church programs regularly and in person to be accessible to the church community.

## Eligibility

Nominating Committee members are automatically removed from consideration. Spouses or other relatives of Nominating Committee members may be considered if the committee member chooses to remove him/herself from the committee for that voting session. Nominees whose Diaconate term would be interrupted will automatically be removed from consideration. First Community staff members and their spouses are not eligible for consideration. Parents and adult children of the Senior Minister or the Executive Director of Operations are also not eligible for consideration. Parents and adult children of other clergy may be considered with an understanding of the role the clergy serve and that there may be conflict of interests that may require an abstention from voting or an exclusion from a particular discussion of the Governing Board.

## Activities of Governing Board Members

The following summary is an outline of a typical year's activities of the members of the First Community Governing Board:

### 1. Meetings

1. Governing Board meetings are generally held the fourth Wednesday

of each month at 7 pm for the average time of two hours.

2. Almost all Board members serve on a committee or serve in a liaison

capacity to another church Board, Council or Committee, which requires another monthly meeting commitment of approximately two to three hours.

3. The Governing Board may schedule additional time away from the church for extended discussions or projects.
4. Board members may also participate in committees or task forces of the Board that require attendance occasionally at another meeting.

2. Prior to each monthly Board meeting, material related to the agenda for the meeting is emailed to each Board member. It is expected that a Board member would spend one to two hours reviewing the material in preparation for the meeting.

3. The expectation is for Governing Board members to attend in person worship regularly and participate in other activities in the life of First Community.
4. The Board member selected as Chair of the Governing Board serves an additional two years, for a total of five years; the first year as Chair and the second as Immediate Past Chair.
5. Governing Board officers spend additional time in meetings of executive, finance, personnel and planning committees for the purpose of acting as a sounding board and resource for the Senior Minister and staff, to support church programs and to plan the agenda and work for the monthly Governing Board meetings.

Approved by the Governing Board August 7, 2020

## APPENDIX D

### Qualifications for and Activities of First Community Board of Deacons

#### **Nominating Committee**

##### *Qualifications for Membership on the Board of Deacons*

A member of the Board of Deacons must be:

An active member who has contributed to the church's operating effort for at least one year. As a candidate is voted in as a Diaconate member, the member must then agree to pledge or contribute to the operating effort throughout their term on the Board of Deacons.

The Governing Board highly recommends that Diaconate member candidates have pledged to the operating effort for three years before being nominated to the Board of Deacons as this demonstrates on-going commitment and helps the Governing Board establish its annual budget and accordingly, the church's programming.

Nominees for the Board of Deacons should have:

- A clear understanding of the pastoral work of the Deacons
- Evidence the individual takes his/her church membership seriously (i.e., service, attendance in worship, stewardship)
- Willingness to minister to the whole church, to share one's self
- Ability to commit at least 6 hours per month, including attendance at monthly meetings
- An understanding of the "continued availability" that is part of ordination for life

The Board of Deacons shall be a diverse selection of the Church membership. An emphasis should be on choosing new people for the Board of Deacons rather than "re-activating" inactive deacons.

**Note:** Because each position deserves dedicated time and commitment, it is not recommended that an individual serve on both the Governing Board and Diaconate at the same time. First Community Church staff members and their spouses may be considered for the Diaconate.

## **Nominating Committee**

### *Activities of the Deacons*

The following summary is an outline of the responsibilities and activities of the Board of Deacons of First Community Church:

#### Meetings:

1. Diaconate meetings are held the third Tuesday of each month (except July, August and December) beginning at 7 pm with the average length of meeting approximately 1.5 hours. They can be held in private homes or at church.
2. Deacons will be asked to attend a training of approximately 2 hours after they are selected as a deacon.

#### Responsibilities:

1. Baptism – conducted six times per year during worship.

A deacon serves approximately once a year in the regular baptisms at the Sunday morning service of their choice. They will also be assigned for private baptisms one month out of the year.

2. Communion - served six times a year.

Deacons are assigned at least one time, and more if needed. Communion is served every Sunday at the 10 am service and a deacon may be asked to serve about 5 times a year at 10 am. Negotiation with other deacons for times away is always possible.

3. Parish Calling

Deacons are assigned approximately one call per month on persons returning home from the hospital or experiencing a death in the family to see how they are doing and report their status to the Pastoral Care office.

4. Sweetheart roses

- a. At Christmas each year deacons are asked to deliver a rose with a visit to women ages 65 and over.
- b. Deacons attend the Sweetheart luncheon held each year in May and act as table hosts.

6. When elected to the Board of Deacons, they serve a three-year term unless they are elected as Chair, and serve an additional year.

7. Some persons are asked to chair different responsibilities to make sure assignments are made and carried out.

8. Seminary Student Liaison – The Board of Deacons has regular contact with First Community Church members who are attending seminary.

The Board of Deacons is a function of the Pastoral Care department of the church. First Community believes that given the nature of these responsibilities, it is appropriate to mark the



office of Deacon by a commissioning. This sets the person apart for particular functions and reinforces the role of spiritual leadership in the life of the church. Commissioning also carries the concept of lifelong service even after the term on the Board of Deacons is completed.



## **STATEMENT OF FINANCIAL VALUES**

Finance Structure Review Task Force (FSRTF)

### **BACKGROUND**

At First Community, our faith is rooted in inclusion, acceptance, and the availability of God’s love to all people. We recognize that this open and welcoming theology embraces a wide range of approaches to the practice of our faith, including how we participate financially in the life of the church. In addition, generational changes are impacting tithing behavior and philanthropic giving while we endure the most significant public health and economic crises in decades. Taken together, these circumstances compel us to find new ways to engage members in understanding and financially supporting the ministries of our church.

It is therefore with open-mindedness and a bias toward planful change that the FSRTF has undertaken its review of First Community’s financial reporting and budgeting structure. Some of our past practices and frameworks may not support a healthy and sustainable financial future for our church amidst the new realities outlined above. At the same time, we believe that there are certain core principles which should guide our financial activities. These principles, or value statements, represent a “true north” that should govern our processes and shape any recommendations for structural changes in how we operate.

### **STATEMENT OF FINANCIAL VALUES**

We covenant to these fiscal and operational values in support of our church’s financial health and vitality:

- **ONE CHURCH, ONE BUDGET** – We are ONE church with many ministries. Our operating budgets and financial strategies and reporting are all-inclusive, capturing the totality of the church’s activities (revenues & expenses) in support of maximum transparency and effective prioritization and decision making.
- **UNIQUENESS OF LARGE CHURCH INSTITUTIONS** – We are a faith-based non-profit, not a for-profit business. We take our fiduciary responsibility seriously and practice sound accounting and financial reporting processes. While we strive to understand and implement best practices across our various ministries, we are careful not to apply a private-sector lens (i.e. retaining only individually “profitable” ministries) in ways that impede fulfillment of our mission and purpose.

- **DONOR INTENT** – We honor donor intent in everything we do. Our systems accurately track donor restrictions and our spending fully reflects the intent of our donors.
- **VALUING CREATIVITY AND INNOVATION** – We build budgets and long-term financial plans that encourage and support/fund new ministries which align to the church’s mission, vision, and strategic plan. Planning for new ministries includes revenue-generating strategies to support their long-term viability. And we continuously evaluate our current ministries for alignment with evolving strategic and financial plans.
- **FOUNDATION ROLE** – Our Foundation has a critical role to play in supporting both basic, ongoing operations as well as funding specific or newly-developing ministries. We strive to cultivate our members’ financial support of the church and its Foundation in a balanced way across both important areas.
- **FINANCIAL RESPONSIBILITY** – We build budgets (operating and capital) that are funded by realistic revenue plans and strive generally to minimize debt. If our circumstances change, we make thoughtful adjustments to our spending, operations, and future plans. While we’re committed to living within our means and are responsible stewards of the church’s resources, we also aspire to and plan for growth and greater service to our congregation and the community.

*Completed January 2021*

*Affirmed by the Governing Board March 24, 2021*

**Finance Structure Review Task Force**

Glen Miles, Senior Minister

Paul Anderson, Executive Director of Operations

Jason Milligan, Treasurer

Jodi Patton, Governing Board Chair

Larry Anderson, Member

Scott Glaser, Member