



COKER

Financial Implications of Disaffiliation A Message from Coker's Finance Committee FAQs

If Coker votes to disaffiliate from the UMC what will be the financial impact?

The Disaffiliation Guidelines identify two significant areas of financial liability for disaffiliating churches: 1) apportionments (for past, current and subsequent months), and 2) a share of the local church's unfunded pension obligation.

Currently, the total cost for Coker is estimated at approximately \$900K, determined as follows:

- \$472K related to apportionments*, and
- \$427K related to pension liability.

Each of these numbers is subject to change between now and a potential disaffiliation date. The congregation will be apprised of any significant changes to these amounts as they become known.

* Of this amount, \$187K is included in the 2023 Budget. As such, needed new monies are currently estimated at just over \$700K.

How will Coker pay for these costs?

To fund this liability, the Leadership Team is first looking to available internal funds and reserves, and believes the use of external funding will not be necessary.

A decision will be made on how best to fund the liability once the final amount is known, and all available funds and reserves have been identified.

Will it be necessary to repay borrowed funds?

The need to repay will be based on the source of the fund or reserve. At this time, it's anticipated approximately half of the needed monies will come from available reserves while the remainder will come from internal funds that we intend to repay.

Where will Coker get the money to repay these costs?

Repayment will be incorporated into the annual operating budget until all obligations are met.

If Coker chooses to disaffiliate, Coker can remain independent or choose another Methodist affiliation. We have done some research and the future affiliations that are in consideration would include a reduction in apportionments which would create available monies over the coming years (approximately \$130K annually with one of the affiliations in consideration). Using these available monies, Coker anticipates repaying funds, as necessary, over a period of time ranging between three to five years.

With a reduction in apportionments, Coker expects to see a minimal impact on its budget during the period of repayment. Subsequent to repayment, we will see significant benefits going forward.

What should I do as we continue the discernment process?

Please continue reviewing coker.org/discernment for updates concerning the final obligation and means of funding.

And, please be in prayer for our church, our Pastors, our leadership and our congregation that we might be open and responsive to God's word.

Be assured, the church's leadership remains committed to the financial viability of our Church regardless of affiliation, and will take whatever steps are needed to assure financial sustainability.