



Covenant Conversations

Financial Overview

October 22, 2017



Introductions

- Your Finance Committee
 - Richard Kluger, Committee Chair, Member of Board
 - Grafton Balko, Chair of Stewardship Committee
 - John Drake, Treasurer, Member of Board
 - Joel Klee
 - Kevin Dempsey
 - Charles Young
 - Doshia Stewart
 - Sheri Sullivan
- Ex-Officio, Non-Voting Members
 - Darren Cushman-Wood, Pastor
 - Josh Jordan, Finance Director

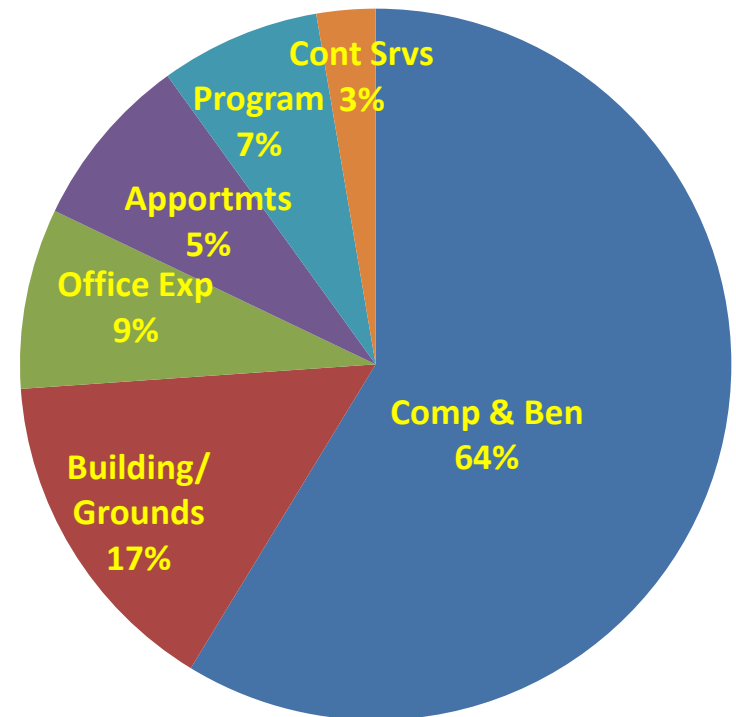
6:00 p.m. Third Tuesday of the Month
Open to all members of North

Overview of the budget

- How we are doing this year (2017)?
 - Expenses
 - Revenue
- What has been done to manage the budget.
- Preliminary Budget for 2018
- Stewardship Committee
- Q & A

Budget/Expenses

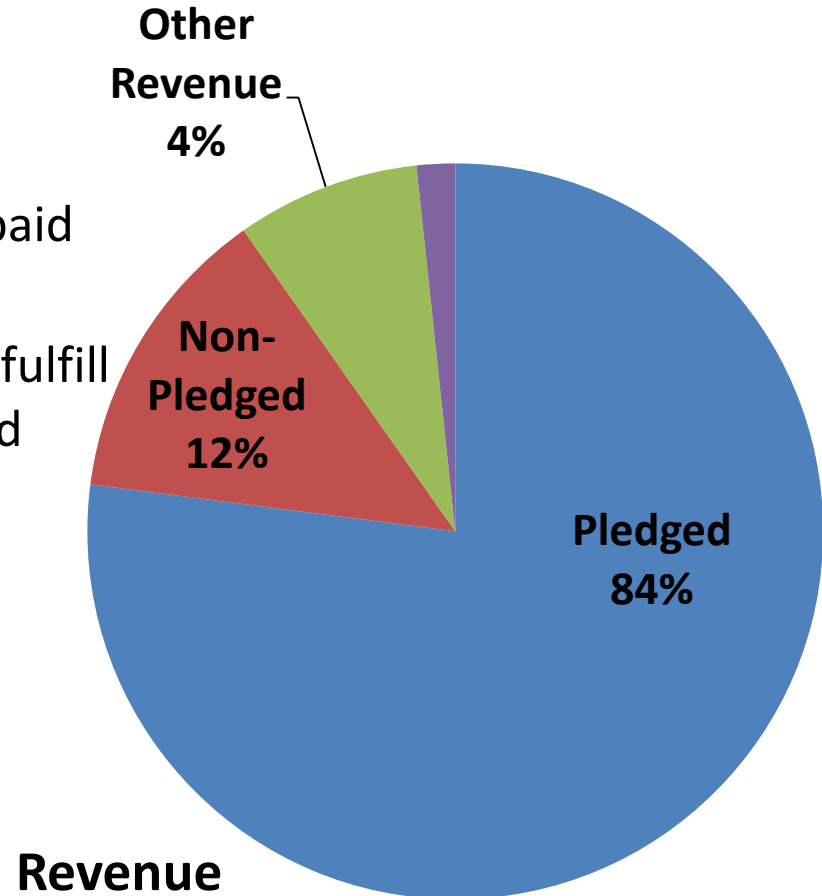
- **Compensation and Benefits** – salaries, healthcare, retirement, taxes, housing, etc.
- **Building Expenses** – utilities, repairs, grounds upkeep, janitorial supplies, etc.
- **Office Expenses** – computers, books, phone, legal fees, postage, etc.
- **Program Expenses** – ministry supplies, meals, curriculum, lodging, scholarships, etc.
- **Apportionments** – conference and district
- **Contracted Services** – security, accounting services



North's budget is dominated by people and facilities – 81%. Other expenses are much smaller by comparison.

Revenue/Income

- Source of revenue/income
 - Pledge – pledges made that are paid during the year
 - Non-pledged - not being paid to fulfill a pledge - funds that are collected each Sunday
 - Designated contributions
 - Fees, sales, rental, interest
- 96% of all funds come from contributions



North relies almost completely on pledges and donations to pay for staff, mission, services and facilities

2017 Finances – As of September

- 2017 budget \$1,279,274
 - Board approved one-time use of sources of funds to cover the expected shortfall - **if needed.**
- Expenses have been managed tightly and are below budget so far.
 - Compensation and Benefits are below budget.
 - Office expenses are below budget.
 - Maintenance and repairs are under budget.
- Total Revenue is **8,000 below budget.**
 - Pledged income is **18,000 below budget.**
 - **Current rate is of payment on pledge is 97%.**
 - **Non-pledged Contributions are** tracking above budget –
 - 4th quarters are strong for Pledge and Non-Pledge income.
- We expect a traditionally strong December.

If pledge payments stay consistent, North will not need to use one-time sources of funds.



What has been done to manage the budget?

- Lower Property Insurance after re-bidding.
- Switching to in-house security.
- Utility Savings due to new HVAC Equipment.
- Overall expenses have been below budget for several years.

Looking ahead to 2018

- 2018 Preliminary budget
- Link to Stewardship Campaign

2018 Preliminary Budget

- Preliminary expense budget approximately \$1,289,000.
- Preliminary income budget approximately 1,100,000.
 - Assumes current staffing levels, partial restoration of apportionment payments, prudent fiscal management and no further budget cuts.
 - Deficit depends on \$ amount of pledges.
- Revenue Assumptions
 - _ Continue to assume that members will pay 92%.

Expense Key Assumptions

- Wages – Higher due to 2% recommendation by SPRC (12,000)
- Contracted Services – Reduced (6,000) due to switching provider of security
- Conference/ District Apportionment – Assumes a restoration from 25% to 50% (30,000) to Conference and 5,000 to District.

Budget adjustment options

- Reducing North's conference/district apportionment obligation payment – back to 25% **(saves \$30,000)**.
- Staff/Clergy actions **(saves \$12,000)**.
 - Limited or No raises Staff/Clergy
- Other budget adjustments as needed based on Stewardship Campaign.

Stewardship Results

- Pledging Units by Year

2017- 296

2016 – 272

2015 – 278



GRAFTON BALKO
STEWARDSHIP CHAIR

The Church Tithe

- Formerly called “Apportionments”
- Based on the Monthly Income of the Church
- 10% to the annual conference & general church
- 1.5% to the district



2018 Goal

Increase Our Contribution Toward “The Church Tithe” From 23% to 50%

About \$30,000 increase

(in coming years, gradual increases toward 100%)



The End

- Questions??
- Close in prayer