



Finance Update – January 2021

This update follows the completion of our second quarter. As stated at the beginning of our fiscal year (July 1 to June 30), we will continue to revisit our budget at these time periods to readjust both the income and expense projections as necessary and as resources allow. Our posture is to remain nimble and react to changes in this odd year.

As we reflect at midyear, God has blessed our church during this uncertain time. Our finances have trended in a positive way despite the unpredictable time we are in. We mentioned in the last report that projecting the direction the virus will take us over the next several months remains difficult. Planning our ministries for the present with an eye to the future remains a challenge. To that end, we continue to feel that remaining flexible with the resources God has given us to steward seems to be the wisest approach.

As a quick reference, our General Fund budget this year is \$7,443,700. This represents an 18% reduction to the previous year's actual income.

Mid-year Review

In the October 2020 report, we noted that we began our current fiscal year with General Fund offerings tracking behind last year, which was a trend that began in the 3rd and 4th quarter. While the decline became more pronounced in these past summer months, offerings started to turn and become stronger during the last quarter.

We also reported a shift in the mix of regular and special (one-time) offerings in our last report. This trend continued in the second quarter where regular offerings began to marginally improve, whereas our special offerings continued to increase well beyond expectations. These special offerings were predominantly from our current donor base, who gave above and beyond historical levels, as well as some large donations from new donors.

Offerings during December alone exceeded our expectations. Last year they were \$1,568,626, and while we budgeted much less, they ended up at \$1,473,876 this year. This significantly impacted our overall income year to date and brought us to within 3% of last year. The special (one-time) offerings were noteworthy, exceeding last year's levels by over 17%.

Further analysis of our donors suggests that while our regular donor base is about 11% lower than last year, over the last few months many core donors have been giving at a higher level than they did historically. This increased commitment has helped bridge the gap accordingly and offset much of the decline up to this point.

The generosity of our congregations places us in a very positive position to respond to needs in creative ways during this season, as well as provide for costs that will be necessary once our parishes begin to regather, hopefully later this year.

Our second quarter expenses from the General Fund continue to trend a bit below anticipated. While we have budgeted for minimal costs to provide for smaller gatherings (Home Church size) and a limited number of larger gatherings (Hub size), current restrictions impede our ability to action on this. However, we remain committed to

exploring creative ways to provide for all our ministries during this time and are encouraged to revisit our plans for the remainder of the year, knowing our finances are in a positive position to do so.

Both the Go Fund and Compassion Fund have tracked below expectations all year. This trend also began to occur around the late winter last year. Offerings to the Go Fund this past December were \$90,808 vs. \$290,128 in December 2019. The difference is partly due to last December's proximity to the beginning of our Go vision launch and the early donations that naturally occurred at that time from donors that responded quickly. That said, this December's level of offerings vs. the normal average giving level every other month this year so far is notably lower than expected. Similarly, offerings to the Compassion Fund this past December were \$140,205 vs. \$129,794 in December 2019. While December's giving level is encouraging, the Compassion Fund throughout this year has been lagging behind the average of last year's weekly level by about 28%. This rebound in December's level helped close some of the gap so that, year to date, this fund is trending only about 17% behind last year.

Q3 Budget Considerations

1. We have reviewed our plans for the balance of the year and feel that further refinement to our budget isn't necessary at this point. To date, our plans for each ministry have fit within our overall income plan. Plans to develop more opportunities for creative relational connections and ministries during this season continue to unfold, and we feel these can fit within available income parameters.
2. While we may be ahead of offerings plans, given the pandemic uncertainties that many individuals in our congregations are experiencing, we sense there is wisdom to remain more conservative with year-end income projections while continuing to pursue ministry opportunities.
3. Changes in current restrictions from the coronavirus continue to make it difficult to get a definitive view of when any larger gatherings will become a realistic opportunity for us to execute on accordingly. Our current plan continues to provide support for some Home Church rentals and some limited number of Hub size gatherings. At this point, our livestream service and online gatherings remain our primary focus. We continue to encourage small group gatherings in safe ways that fit within provincial guidelines and individuals' comfort levels. We also continue to develop plans to re-engage larger strategic gatherings when the restrictions will allow within the provision of our existing budget.
4. Our Compassion and Go funds continue to experience a decline in offerings, and the current budget provides for intentional transfers to these funds from the General Fund at year-end, providing the fund balance allows. Beyond the planned transfers from the General Fund, as fund balances remain positive, further transfers can be considered to address increasing needs from relationships and initiatives supported by both these funds.