# State of the Union: Financial Analysis Report

Bucks Church Financial Analysis | January 1, 2022 – July 25, 2025

# **II** Executive Summary

Bucks County Community Church demonstrates exceptional financial performance, growing at **double the industry average** while maintaining strong fiscal discipline.

#### **Key Performance Metrics:**

- **3-Year Growth:** 16.2% total, 7.8% CAGR (industry: 3-5%)
- **2025 YTD:** Income +12.1%, Expenses -8.4%, Margin 27.4%
- **Electronic Giving:** Growing from 33.5% → 39.4%
- **December Impact:** 194% of average monthly giving
- Mortgage Status: Paid off Nov 2024 (\$72k/year freed)

#### **Strategic Position:**

- Operating income strong despite \$500k investment in 2025
- Growth trajectory creating facility capacity constraints
- Financial flexibility from mortgage elimination enables expansion planning

## **Top 5 Recommendations:**

- 1. Push electronic giving to 45% target by year-end
- 2. Launch November campaign to maximize December giving
- 3. Commission facility expansion study in Q1 2025
- 4. Target February/June with special giving initiatives
- 5. Maintain 7-9% growth target (2X industry average)

# **Financial Performance Overview**

## **Three-Year Financial Summary**

**Revenue Performance** 

Year	General Fund	Total Income	YoY Growth	
2022	\$740,790	\$769,766	Baseline	
2023	\$805,088	\$831,313	+8.7%	
2024	\$860,667	\$886,442	+6.9%	
2025 YTD*	\$511,263	\$520,039	+12.1%	
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<sup>\*</sup>Through July 25, 2025 (projected full year: \$877,880)

## **Expense & Margin Trends**

Year	Total Expenses	Expense Ratio	Net Margin
2022	\$589,409	76.6%	23.4%
2023	\$773,043	93.0%	7.0%
2024	\$718,399	81.0%	19.0%
2025 YTD	\$377,580	72.6%	27.4%*
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<sup>\*</sup>Benefits from November 2024 mortgage payoff (\$6k/month savings)

## **2025 YTD Special Note**

The P&L shows a \$500,000 investment resulting in reported net income of (\$357,541). Operating income before this investment is a healthy \$142,459.

# Giving Patterns & Seasonality

## **Monthly Giving Characteristics (2024)**

• **Annual Total:** \$867,103

• Weekly Average: \$16,342

• **Peak Month:** December at \$138,827 (194% of monthly average)

• **Lowest Months:** February (\$50,725), June (\$56,642)

• **Strong Months:** July (\$93,124), November (\$79,261)

Note: 2025 YTD data (through July 25) shows continued strong performance with complete channel data from PC Giving.

#### **Channel Mix Evolution**

Year/Period	Electronic (%)	Cash/Check (%)	Change in Electronic (%)	Trend
2024 Baseline	33.5	66.5		
2025 YTD	39.4	60.6	+5.9 percentage points	Accelerating digital
Progress				adoption
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# **o** Performance vs. Industry Standards

## **Current Performance (through July 25, 2025)**

• **General Fund Income:** \$511,263 (12.1% above 2024 same period)

• **Total Expenses:** \$377,580 (8.4% below 2024 same period)

• **Net Income:** \$142,459 (159% above 2024 same period)

## **Full Year 2025 Projections**

Based on current run rates:

• Projected General Fund Income: \$877,880

• Projected Total Income: \$892,638

• **Projected Net Income:** \$244,498 (before any special adjustments)

• Annual Mortgage Savings: \$72,000 (from November 2024 payoff)

## **Key Drivers of 2025 Performance**

1. **Higher average giving:** Weekly average up 19.6%

2. **Expense control:** Expenses running 8.4% below prior year

3. **Mortgage elimination:** Property paid off Nov 2024, saving \$6k/month

4. **Electronic giving growth:** Now at 39.4% of total

# **o** Key Performance Indicators

## 2024 Highlights

• Total General Fund Income: \$860,667

• **Net Margin:** 19.0%

 (Net margin = % of income left after all expenses are paid - for every dollar received, the church keeps 19 cents after expenses)

• Electronic Giving: 33.5%

• **December Spike:** 194% of monthly average

• **YoY Growth:** 6.9%

#### 3-Year Trends (2022-2024)

• CAGR: 7.8%

• Average Net Margin: 16.5%

• Total Growth: 16.2%

Average Monthly Giving Growth: \$61,732 → \$71,578

## 2025 YTD Strengths

• YoY Income Growth: 12.1%

• Net Margin: 27.4%

• Electronic Giving: 39.4%

Average Deposit Size: \$8,531 (completed by bookkeeper)

## Recommendations

## 1. Electronic Giving Initiative

- Push toward 45% target by end of 2025
- Emphasize convenience and consistency benefits

## 2. Seasonal Giving Strategy

- Launch December campaign in early November
- Address February/June lows with targeted appeals

## 3. Facility Expansion Planning

- Commission space utilization study (Q1 2025)
- Engage architectural firm for preliminary concepts
- Use freed mortgage funds (\$72k/year) for planning phase

Target capital campaign launch 2026-2027

## 4. Financial Sustainability

- Maintain 7-9% annual growth target
- Keep expense ratio below 80%
- Build capital reserves from operating surplus

#### 5. Communication & Transparency

- Share quarterly financial updates
- Celebrate giving milestones
- Communicate facility vision clearly

## Data Notes

#### **Sources**

- P&L Statements (2022-2025 YTD) primary revenue/expense data
- QuickBooks Reports transaction detail
- Offering Data channel mix analysis (2024 complete, 2023 partial)
- PC Giving Report complete 2025 YTD donation details with channel breakdown

## **Key Limitations**

- 2023 offering data: October-December only
- 2025 P&L includes \$500k investment/reserve allocation
- Minor variance (1.5%) between PC Giving and P&L totals due to timing

# Methodology

- Dollar amounts rounded to nearest dollar
- Growth rates calculated on actual values
- 2025 projections use linear extrapolation
- Weekly averages based on actual weeks in period (29 weeks for 2025 YTD)
- All analysis based on calendar year

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