

# Financial Forum Meeting

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Bethel Lutheran Church  
Cupertino, California  
July 21, 2009

# Agenda

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- What's happening now
    - FY'09 Financial Highlights
    - Solar Power Project
    - Congregation giving trends
  - A look ahead
    - Projecting Income
    - FY'10 Expense Budget
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# FY'09 Financial Highlights

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- Expenses cut to match lower giving
    - Original \$895K budget cut to \$850K in Jan; May controls bring it under \$800K
  - Special giving funded major assets
    - Roof \$50K; Youth van \$30K; Server \$3K
  - New stewardship emphasis
    - More publicity
    - Every-member contact
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# Solar Power System

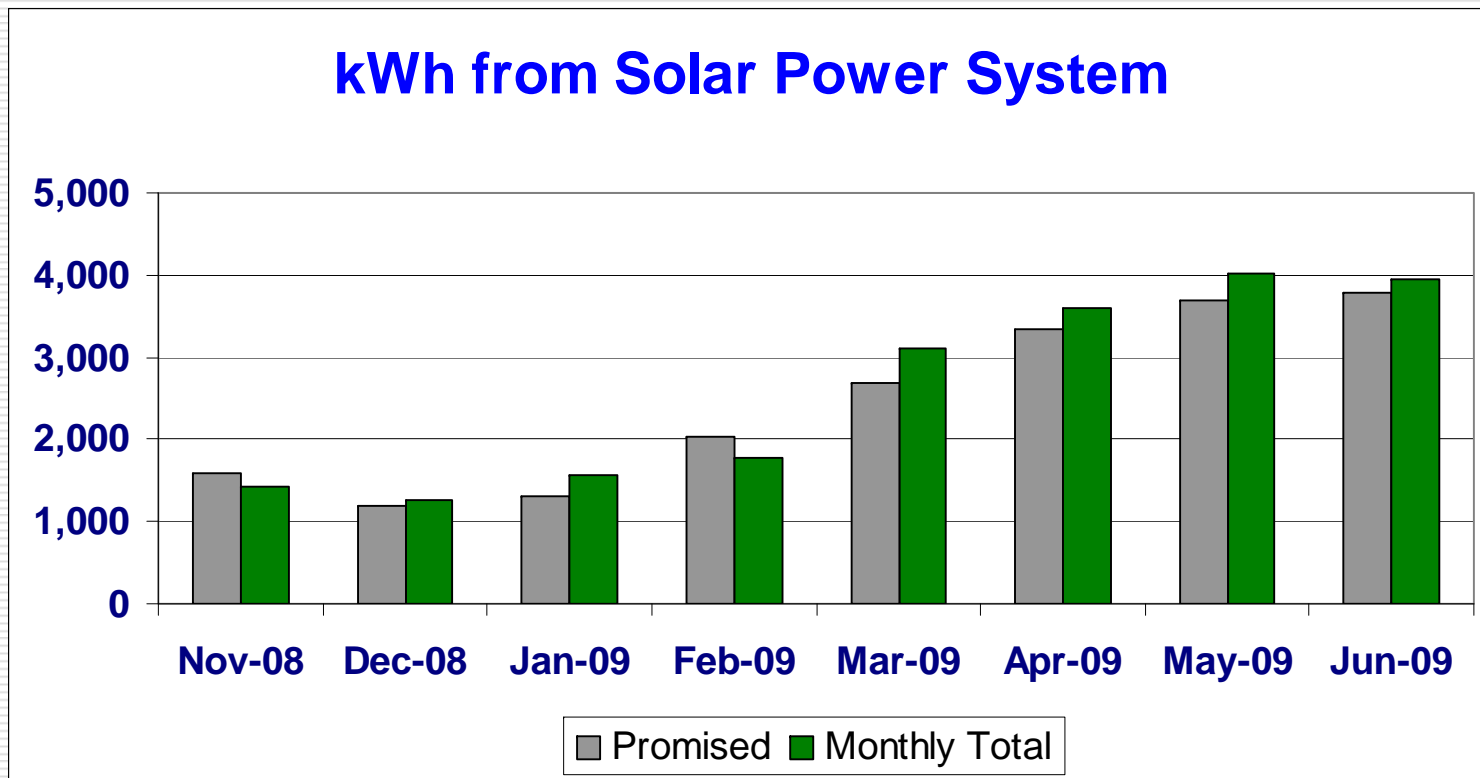
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- ❑ Installed last summer; Operational in November
  - ❑ Project cost: \$138,700
    - Financing: 20 years at 6.625% = \$1,044/mo or \$12,532/yr
  - ❑ Saving by both generating electricity and switching to time-of-day rates
  - ❑ Additional savings from other **Green Initiative** actions are not shown here
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# Solar: System Operation

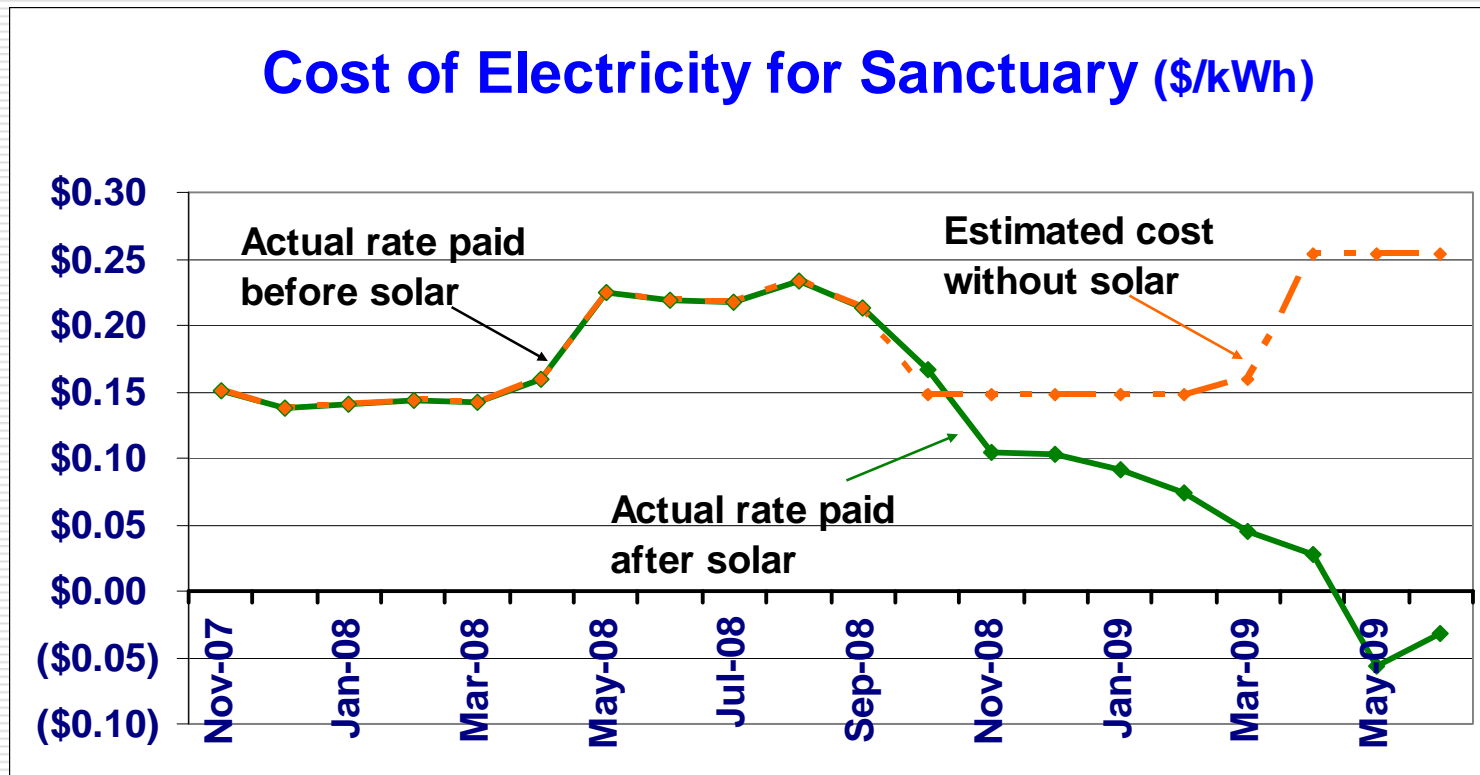
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- Nov through Jun: 5% more kWh than projected



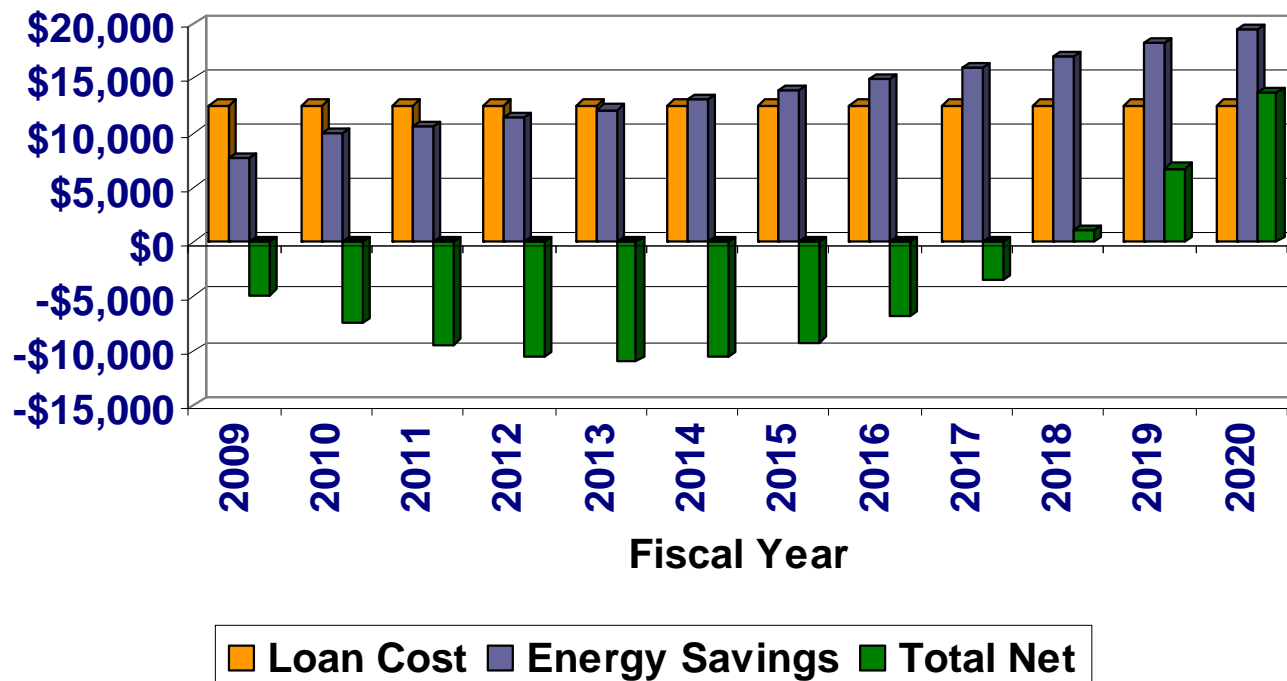
# Solar: System Operation

- Drop in cost of electricity



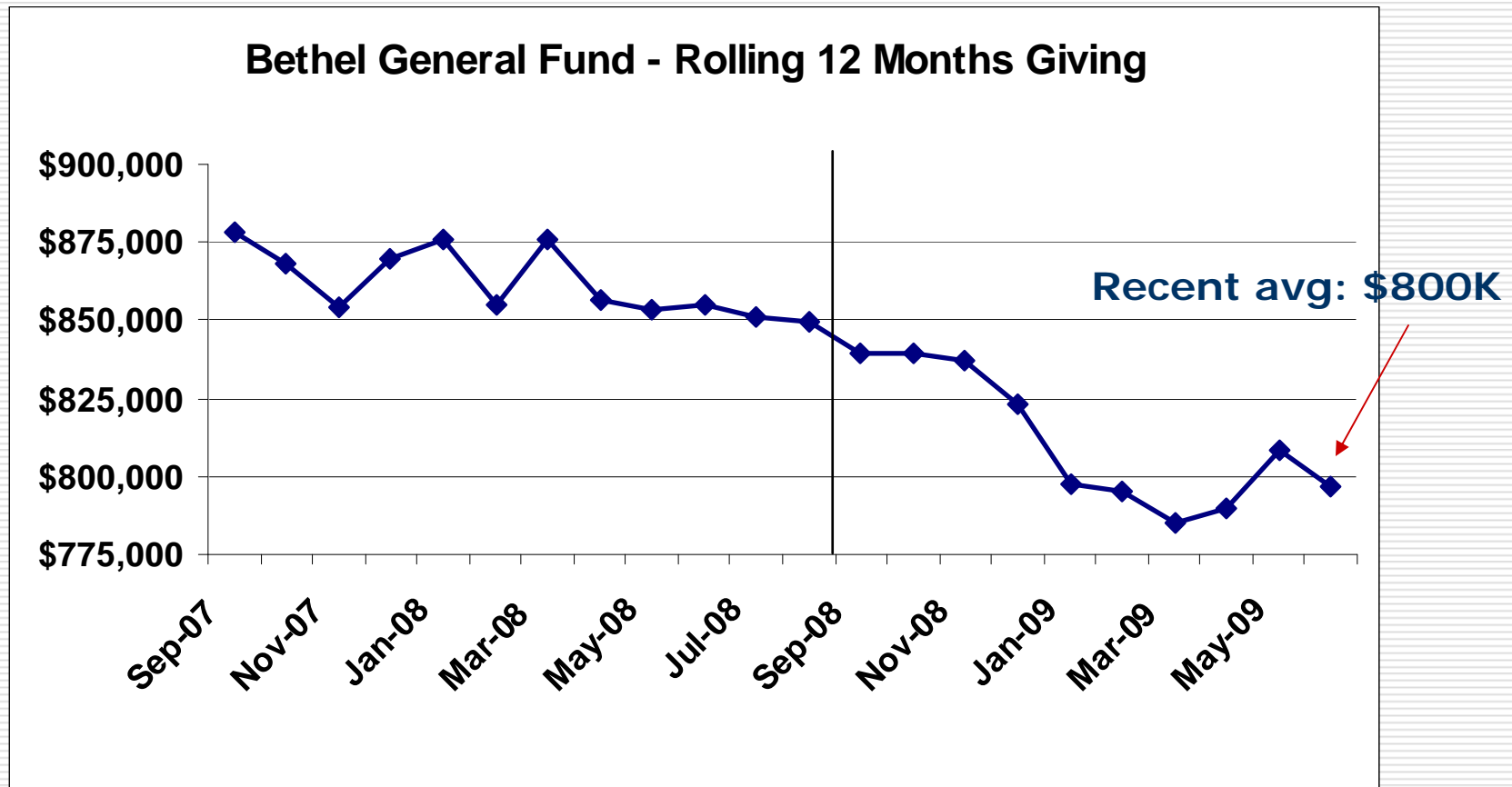
# Solar: Financial Return

**Projected Payback on Solar Power System**  
(Est. 7% PG&E rate increase per year)



# Congregation giving trend

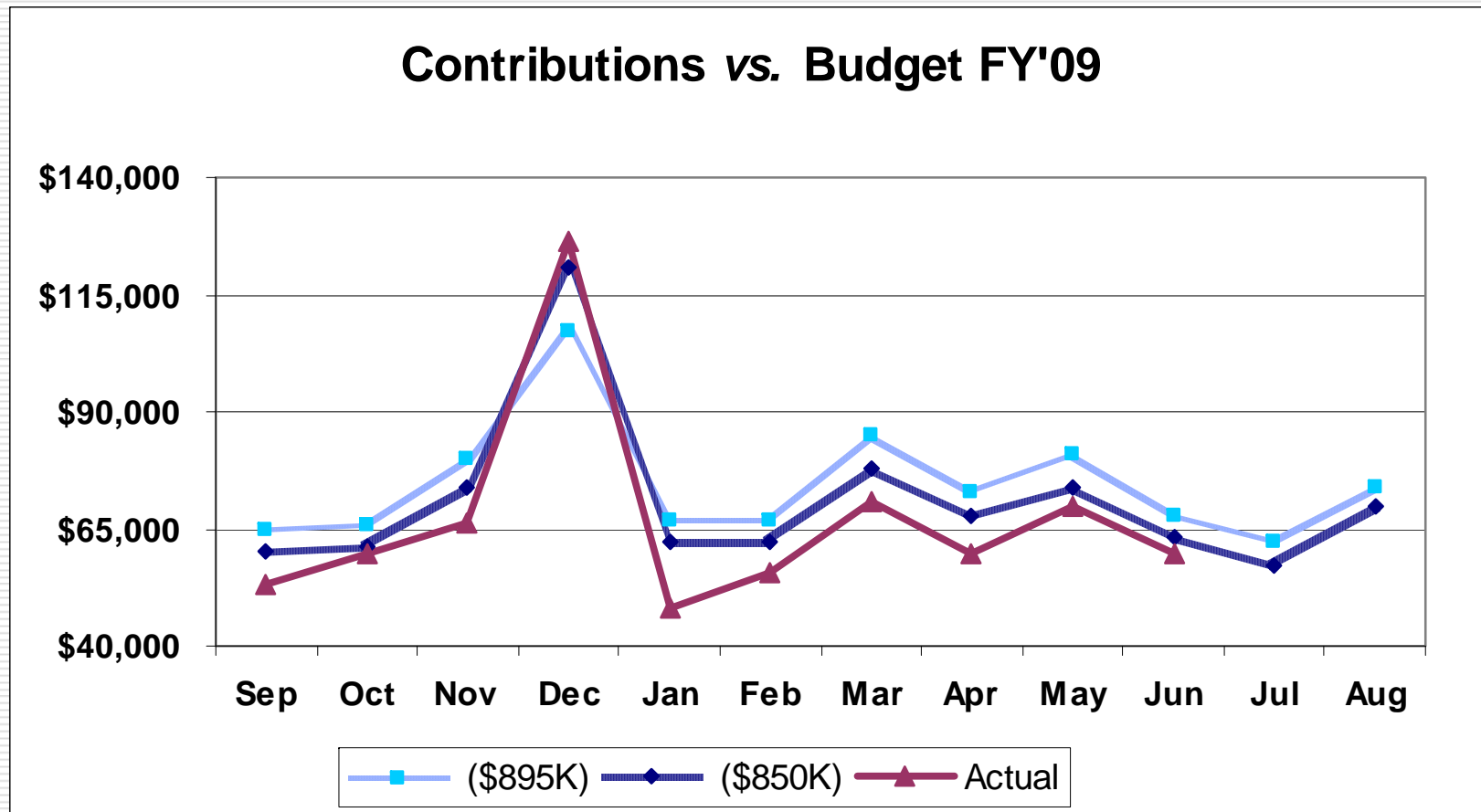
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# Giving vs. Budgeted Income

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# Giving vs. Budget

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*9/1/2008 through 6/30/2009*

	<b># Givers</b>	<b>Amt Given</b>	<b>Average</b>	<b>Per Month</b>
Pledged		\$452,457 68%		
Unpledged		\$188,512 28%		
Total Envelope	298	\$640,969		
Loose Offerings		\$23,099 3%		
<b>Total given</b>	298+	\$664,068	\$2,228	\$223
<b>Budget</b>		\$750,000	\$2,517	\$252
<b>Difference</b>		\$85,932	\$288	\$29

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# Amount given per “giving unit”

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*9/1/2008 through 6/30/2009*

<b>Monthly</b>	<b>Number</b>		<b>Amount</b>	
Up to \$25	58	19%	\$4,955	1%
\$26 - \$50	33	11%	\$11,643	2%
\$51 - \$100	43	14%	\$31,862	6%
\$101 - \$200	53	18%	\$75,556	14%
\$201 - \$350	50	17%	\$131,282	16%
\$351 - \$500	29	10%	\$123,096	20%
\$501 - \$1000	27	9%	\$180,805	31%
Over \$1000	5	2%	\$81,770	10%
Total	298		\$640,969	

Mean = \$215/month

Median = \$124/month

*(Last year: 315 giving units, Mean = \$214, Median = \$111)*

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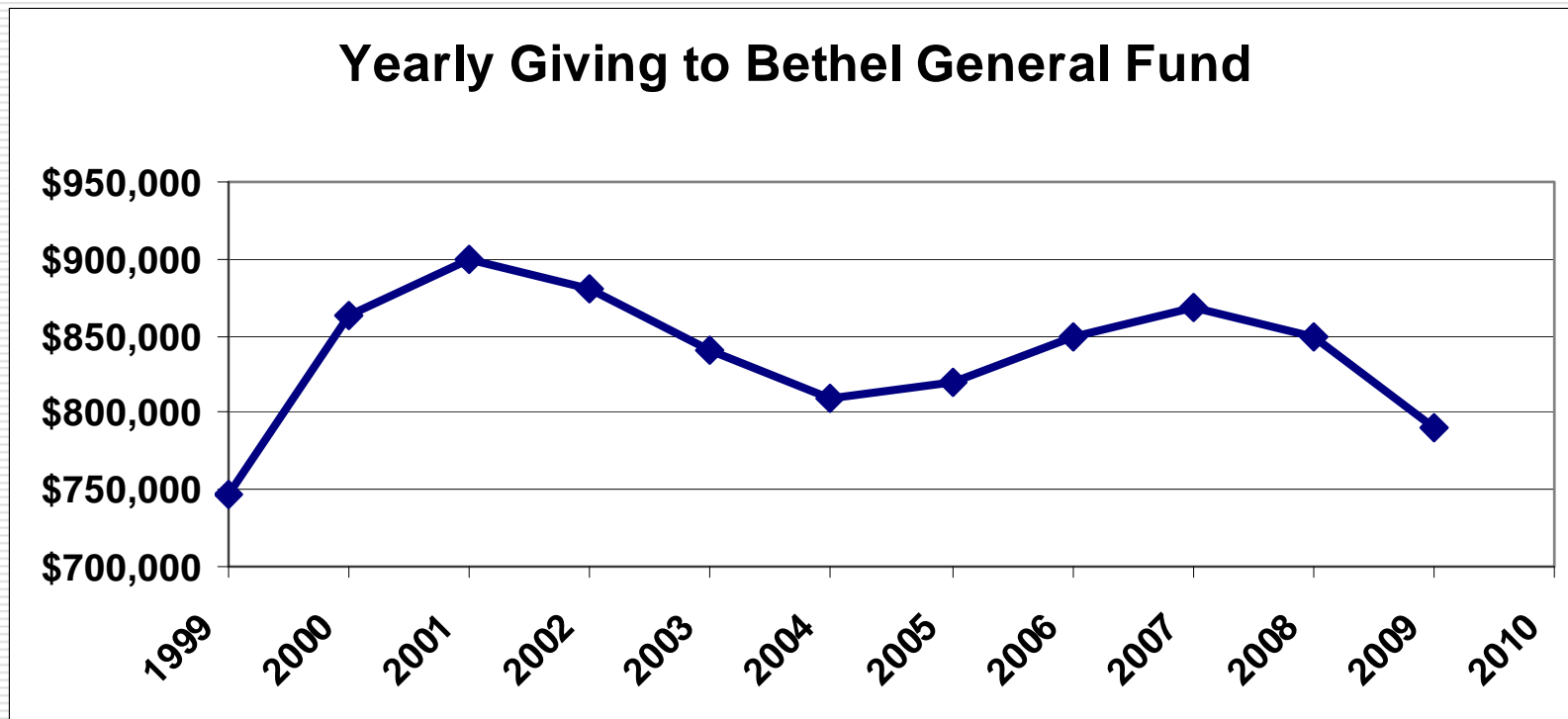
# FY'10 Budget

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# Projecting Income: Trends

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- 11 year giving trend: rolls with economy



# Projecting Income: Stewardship

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## □ Stewardship Results

- Commitments returned: 154 (128 > \$0)
- Amount promised: \$490,532
- New this year: 13 for \$23,052
- Prev pledgers moved: 6 for \$23,580
- Prev pledgers no reply: 85 for \$202,962
- Prev pledgers who responded: 6% increase

- Old formula not working due to uncertainty  
(pledged + 25% = \$614K)
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# Projecting FY'10 Income

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## Happening now

- 11 year trend: sinusoidal
- Through June: averaged \$800K/yr
- Stewardship: results inconclusive

## Projection for FY'10

- Base expectation: \$800K (FY'09: \$885K)
  - Challenge: \$10K (FY'09: \$10K)
  - Total: \$810K (FY'09: \$895K)
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# FY'10 Budget: What's Changing

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## **Savings Anticipated : \$97,000**

Renegotiated services & insurance	-\$39,000
Staff Reductions	-\$12,000
Tithe adjustment with lower income	-\$14,000
Outside accounting firm	-\$7,000
Energy savings (solar + green)	-\$3,000
Repair & Maintenance	-\$5,000
Others, matching FY'09 actuals	-\$11,000
Stelling administrative fee	-\$6,000

## **Increases Anticipated: \$15,000**

Depreciation increase (cashless)	\$3,000
Balance sheet cash xfers	\$12,000

## **Cash Neutral:**

Move shared church/school office positions under church and charge admin fee (\$85,000)

Fee based events (income and expense both increased by \$17,000)

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# FY'10 Budget: Category Totals

Account Group	Budget 09	Projected Actual 09	Request Budget 10	
Staffing	567,331	526,473	640,009	+13%
Ministry & Programs	166,846	128,021	141,046	-15%
Technology and Equipment	5,082	6,491	3,770	-26%
Facilities & Overhead	148,127	141,787	112,979	-26%
Depreciation	79,632	77,771	82,455	+4%
<b>Total of Expense Accounts</b>	<b>967,018</b>	<b>880,543</b>	<b>980,259</b>	<b>+1%</b>
Administration fees: School			-84,844	
Administration fees: Stelling			-6,000	
Fee Based Income	-26,650	-41,205	-43,400	
<b>Net Expenses</b>	<b>940,368</b>	<b>839,338</b>	<b>846,015</b>	<b>-10%</b>
Balance Sheet Cash Xfers	24,850	30,300	37,204	
<b>Fully Funded Ministries</b>	<b>965,218</b>	<b>869,683</b>	<b>883,219</b>	<b>-9%</b>
<b>Without Depreciation</b>	<b>885,586</b>	<b>791,867</b>	<b>800,764</b>	<b>-10%</b>

# Budget and Depreciation

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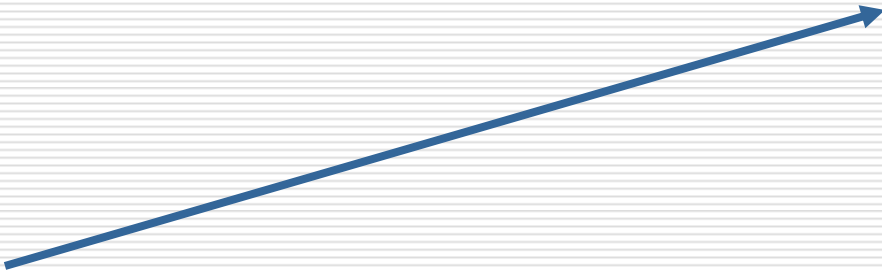
What happens when we ignore depreciation?

- Church will probably run into unexpected expenses that could have been planned
  - Unplanned expenses are handled through special appeals
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# FY'10 Budget Summary

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Expected income:	\$810,000
Planned cash expenses:	\$800,000
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	\$ 10,000



*Available for reserves, contingencies, repairs, replacements, long-term capital improvements, etc.*

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# Thank you for coming!

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Congregation meeting:

Sunday, August 30

- Vote on the budget
- Catch up on other Bethel news