

Financial Forum Meeting

Bethel Lutheran Church
Cupertino, California
August 10, 2010

Agenda

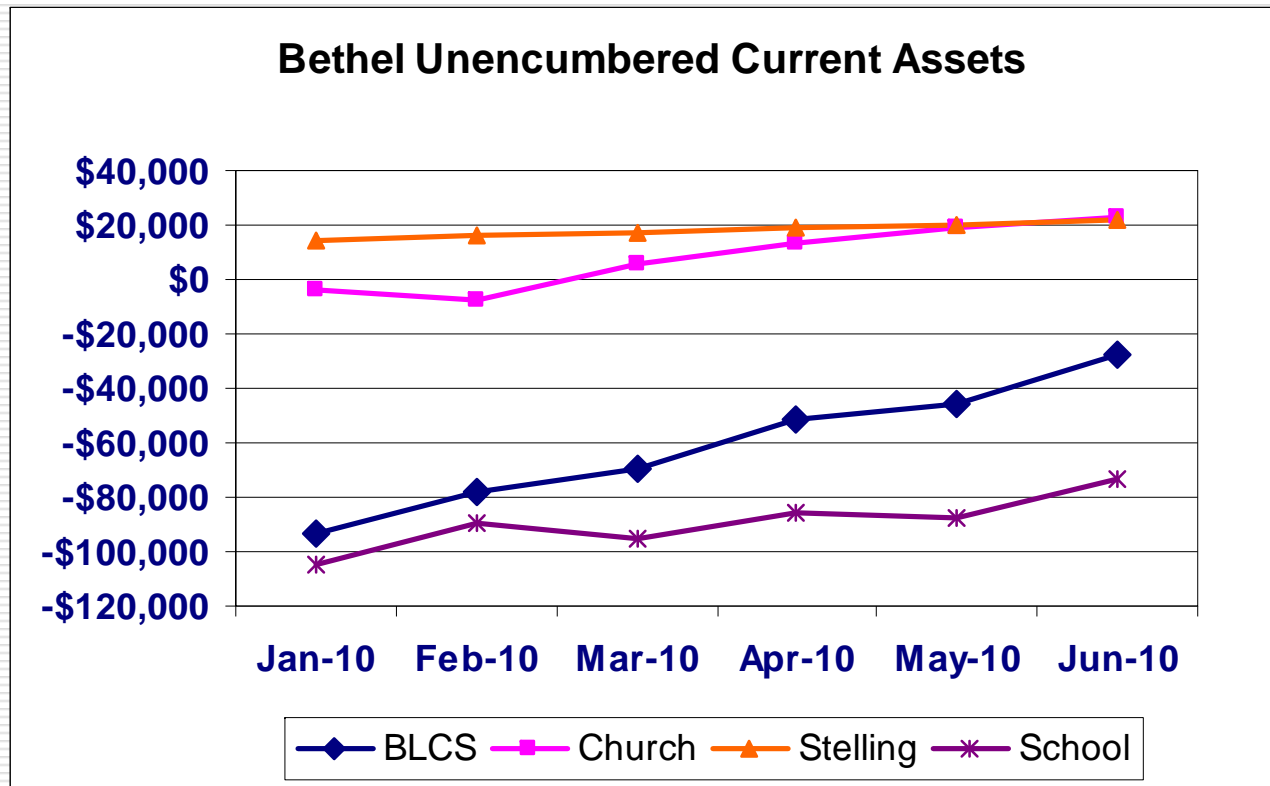
- What's happening now
 - FY'10 Financial Highlights
 - Solar Power Project
 - Congregation giving trends
 - A look ahead
 - Projecting Income
 - FY'11 Expense Budget
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FY'10 Financial Highlights

- Church Finances Sep '09 – Jun '10:
 - Weekly bulletin: giving is below budget by \$40K (5.9%)
 - Spending also below budget: by \$71K (9.8%)
 - Net Ordinary Income: \$15.7K
 - Without depreciation and fee-based events, Net Ordinary Income: \$59.5K
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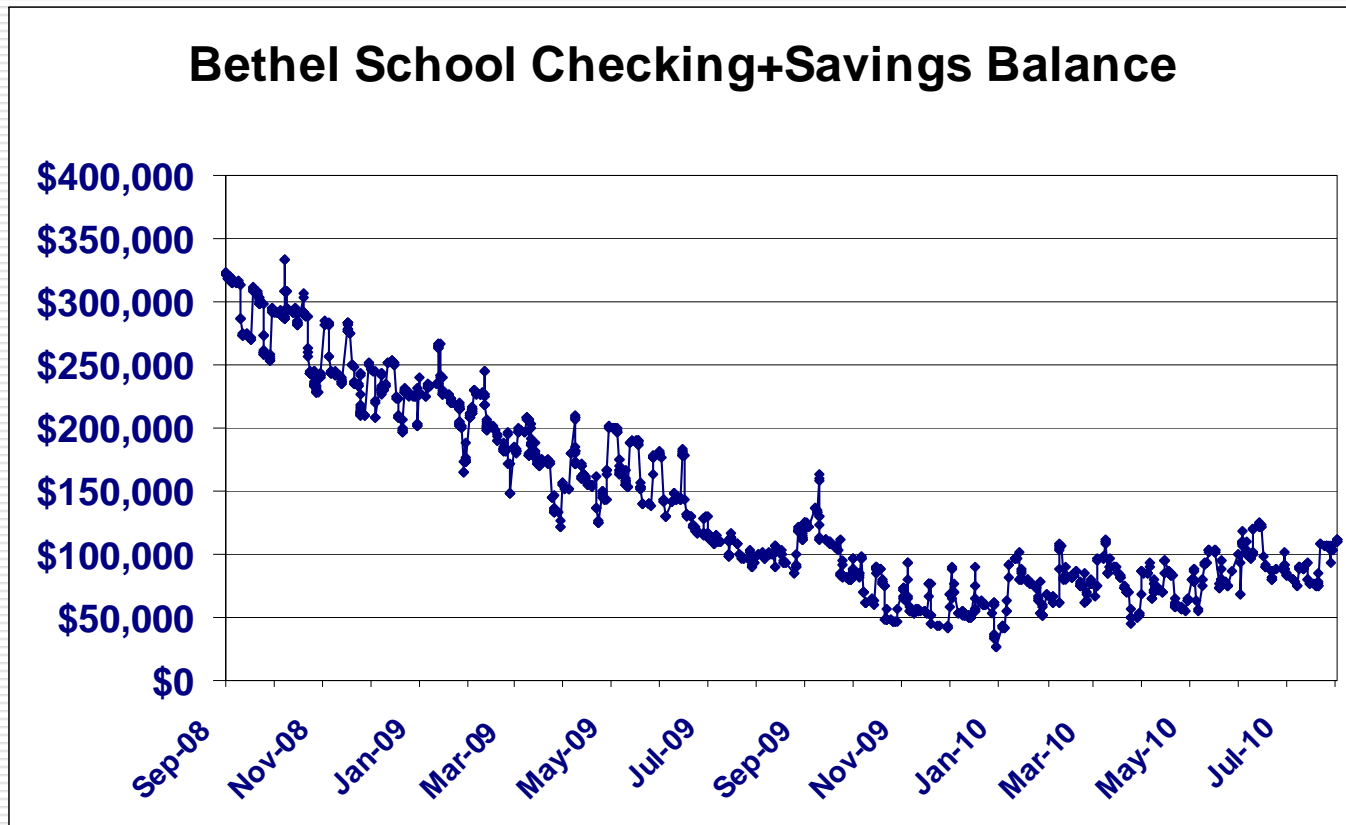
Unencumbered Current Assets

- All parts of organization improved



School Finances

- FY'10 was a challenging year

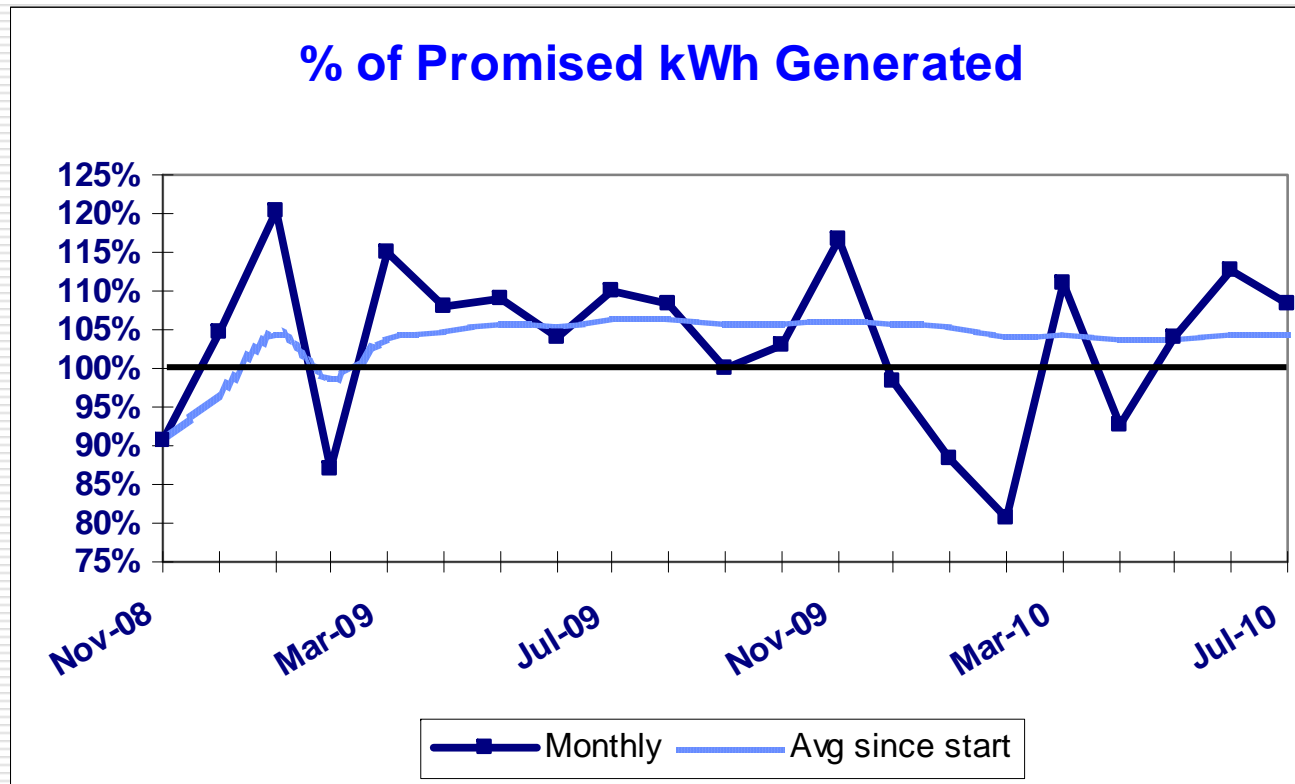


Solar Power System

- Became operational November 2008
 - 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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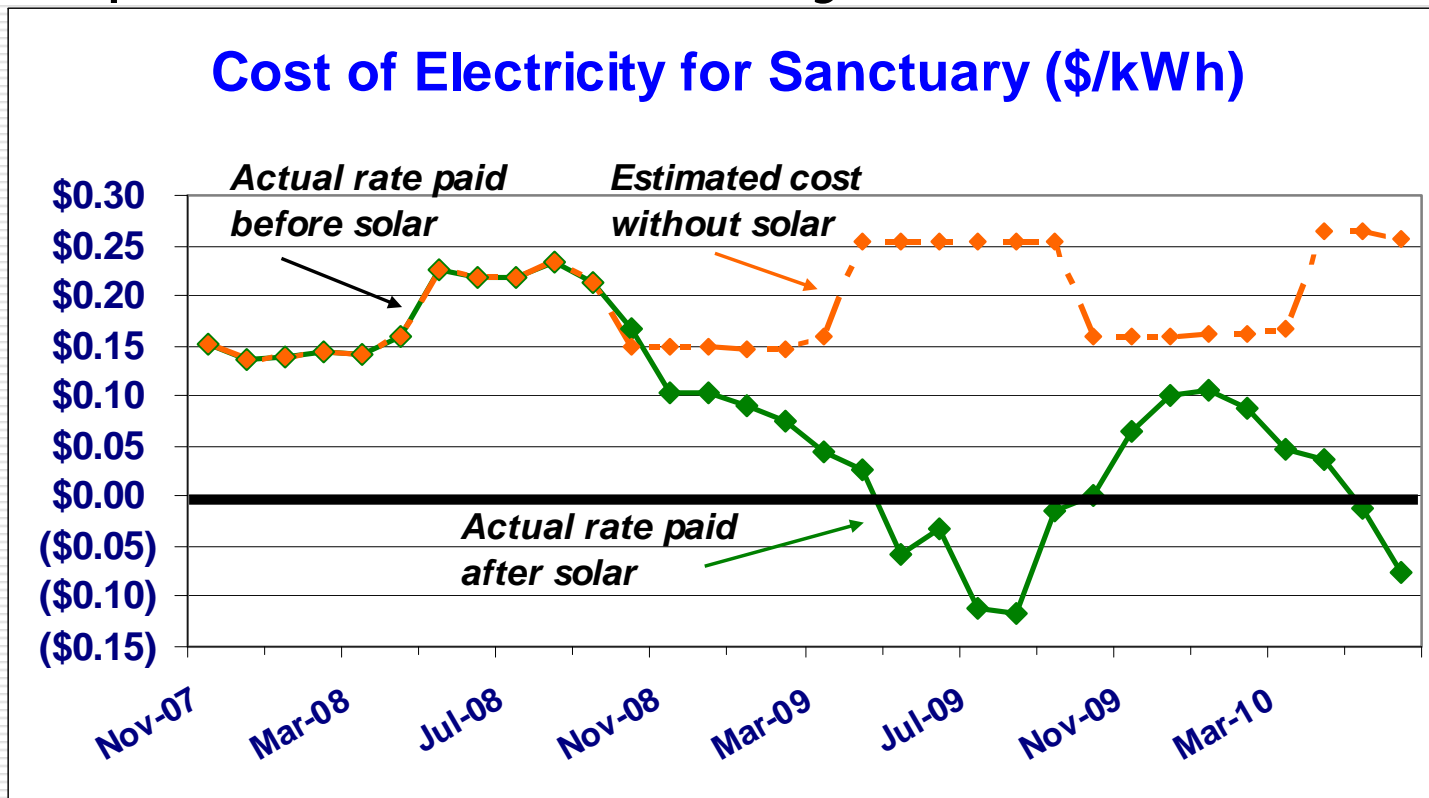
Solar: System Operation

- Delivering ~4% more kWh than projected



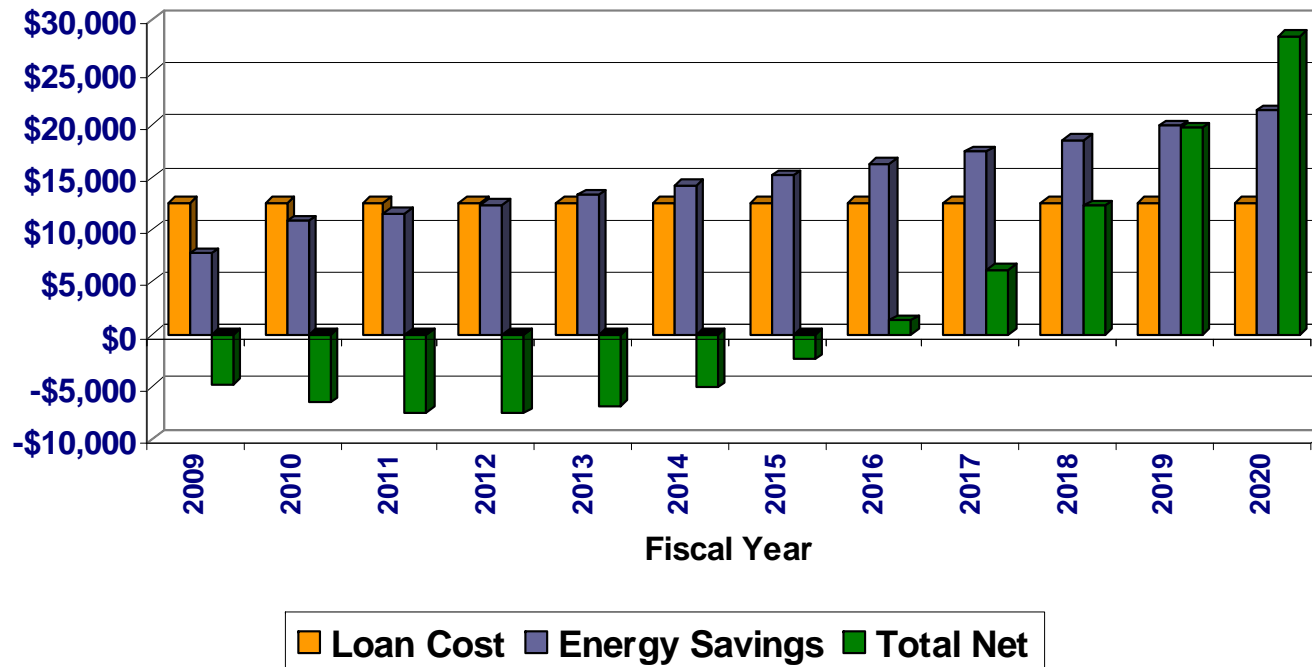
Solar: System Operation

- Drop in cost of electricity

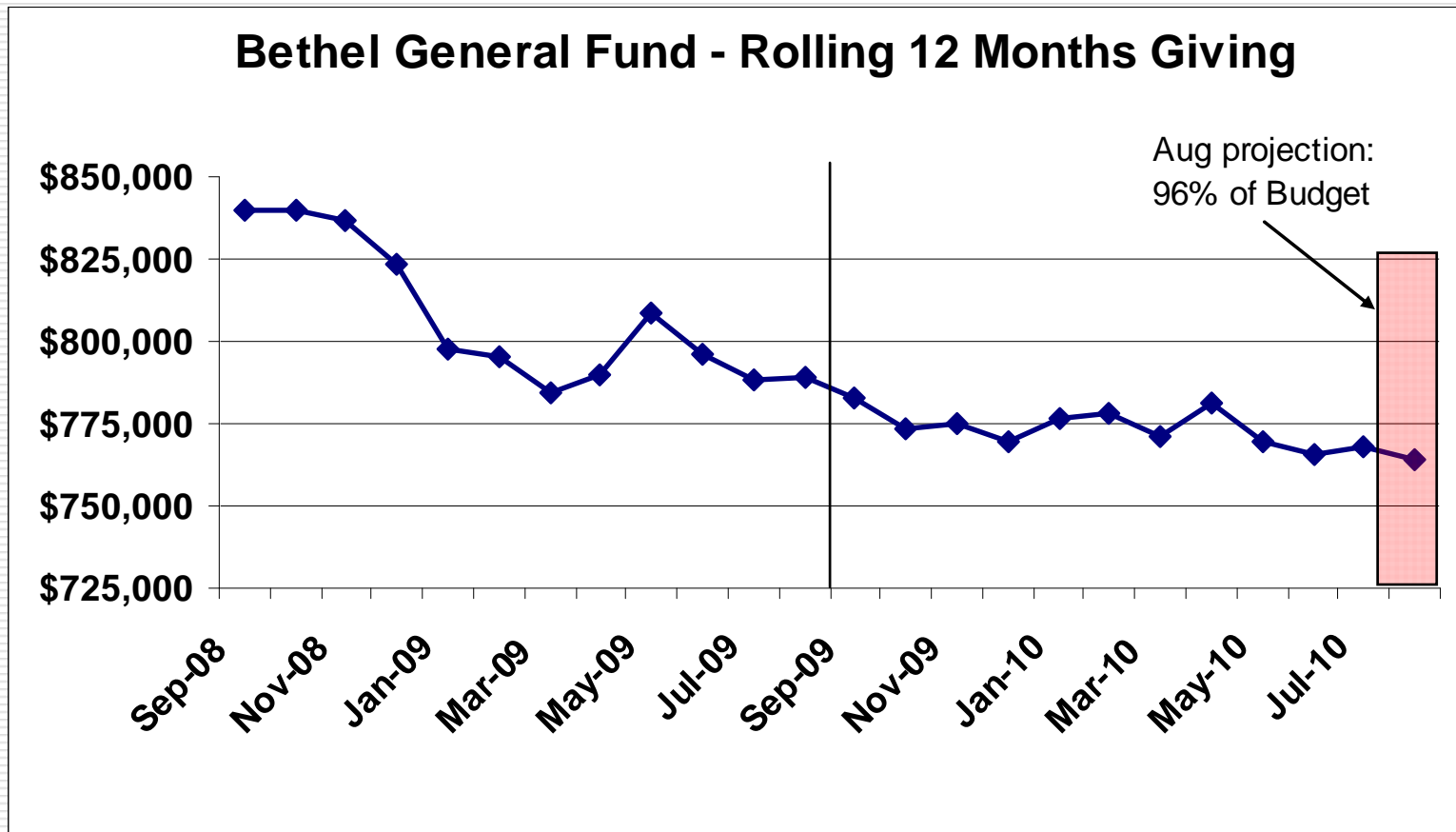


Solar: Financial Return

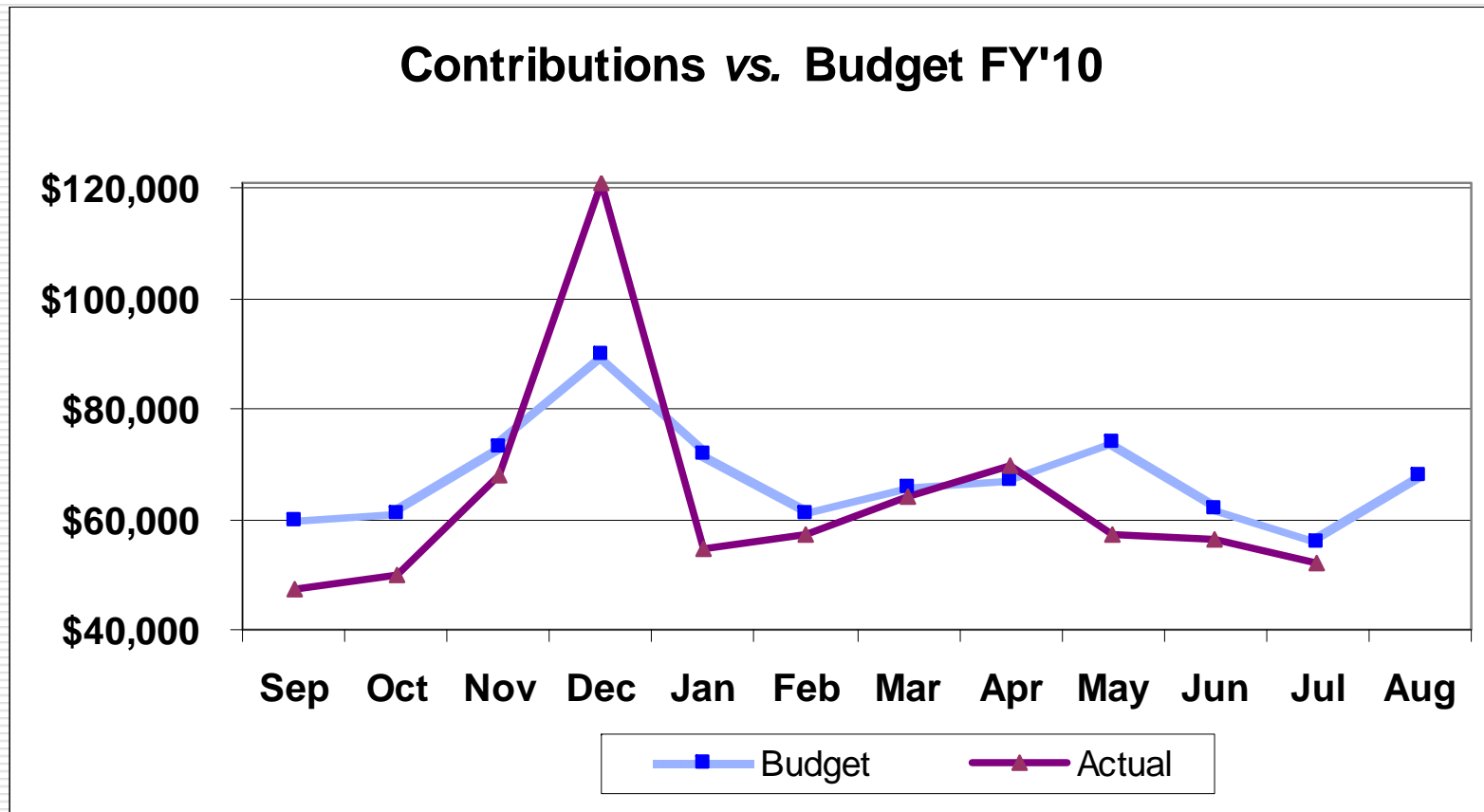
Projected Payback on Solar Power System
(projected 7% rate increase per year)



Congregation giving trend



Giving vs. Budgeted Income



Amount per "giving unit"

9/1/2009 through 7/31/2010

Monthly	Number		Amount	
Up to \$25	64	22%	\$5,378	1%
\$26 - \$50	23	8%	\$10,005	1%
\$51 - \$100	45	16%	\$36,853	5%
\$101 - \$200	53	18%	\$82,164	12%
\$201 - \$350	39	14%	\$113,042	16%
\$351 - \$500	28	10%	\$130,340	19%
\$501 - \$1000	32	11%	\$240,397	35%
Over \$1000	4	1%	\$67,120	10%
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Total	288		\$685,299	

Mean = \$216/month

Median = \$113/month

Trend

Year	Givers	Mean	Median
2008	315	\$214	\$111
2009	298	\$215	\$124
2010	288	\$216	\$113

FY'11 Budget

Projecting FY'11 Income

Happening now

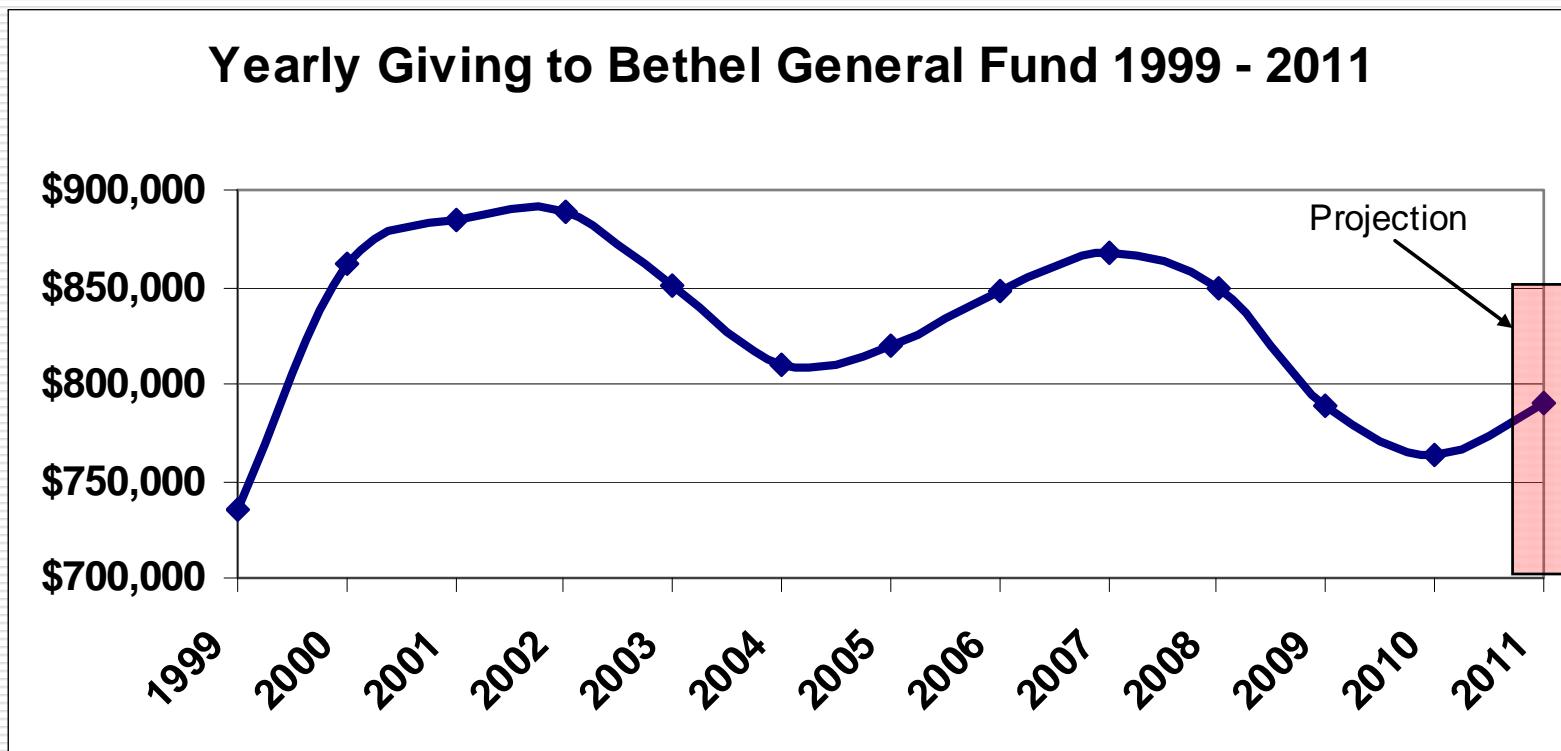
- 11 year trend: sinusoidal
- Through July: averaged \$770K/yr
- Stewardship: results inconclusive

Projection for FY'11

- Base expectation: \$780K (FY'09: \$800K)
 - Challenge: \$10K (FY'09: \$10K)
 - Total: \$790K (FY'09: \$810K)
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Projecting Income: Trends

- 12 year giving trend: rolls with economy



FY'11 Budget: What's Changing

Savings Anticipated : \$29,300

Stelling administrative fee	-\$6,000
Tithe adjustment with lower income	-\$3,650
Interest	-\$1,570
Depreciation (cashless)	-\$3,742
General Supplies & Services	-\$900
Telecommunications	-\$1,300
Others	-\$2,576
Balance sheet cash xfers	-\$9,562

Increases Anticipated: \$30,688

Staffing	\$3,925
Western States ELCA Youth	\$1,500
Computer replacements	\$2,300
Bus Program Support	\$1,100
Fees & Assessments	\$1,126
Repair & Maintenance	\$5,490
School Tuition Discounts	\$11,000
Alarm Service	\$947
Banking Fees	\$3,300

Cash Neutral:

- Move cost of sound equipment insurance (\$4,580)
 - Fee based events (income and expense both decreased by \$1,700)
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FY'11 Budget: Category Totals

Account Group	Budget 10	Projected Actual 10	Request Budget 11	
Staffing	540,483	484,455	538,408	0%
Ministry & Programs	142,006	113,171	133,585	-6%
Technology and Equipment	7,200	5,718	8,125	+13%
Facilities & Overhead	114,074	111,286	127,337	+12%
Depreciation	82,455	86,203	78,713	-5%
Total of Expense Accounts	886,218	811,833	908,960	+3%
Fee Based Income/Expense	-43,400	-29,465	-41,700	
Net Expenses	842,818	782,368	855,468	+2%
Balance Sheet Cash Xfers	41,705	30,475	32,143	
Fully Funded Ministries	884,253	812,843	887,611	+2%
Without Depreciation	802,068	726,640	808,898	+2%
Facility (Sunflower Learning)			-32,000	
Net Required General Fund	802,068	726,640	776,898	-3%

Budget and Depreciation

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'11 Budget Summary

Expected income:	\$790,000
Needed for expenses:	\$777,000
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	\$ 13,000



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

Thank you for coming!

Congregation meeting:

Sunday, August 29

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