

Mid-Year Financial Update for TLC Congregation (YTD as of 6/30/2019)

Submitted by the Stewardship and Financial Development Teams

Last fall we introduced a number of steps to ensure proper management of our church finances including:

- A balanced budget for this year
- Establishment of a financial oversight committee to advise staff and the church council
- Transparency for the congregation through regular reporting on our progress during the year

Today we are pleased to provide you with a mid-year update on our financial status.

Year to Date Offerings:

- Under budget by \$20,000.
- Ahead of last year by \$7,000 if January 2018 special appeal is taken out of consideration.***
- Stewardship Team is encouraging members and visitors to give through Simply Giving, estate planning and our new giving kiosk.

YTD Expenses.:

- Over budget by \$19,000, mostly due to additional building maintenance costs. Will be offset by designating additional building maintenance funds from the capital campaign as noted in the recent letter from the Capital Campaign Team.
- Under last year by \$21,000, adjusted for timing differences in comparable expenses last year.***
- Expenses are scrutinized on an ongoing basis by Financial Team, Staff and Church Council.
- Urgent staffing needs and opportunities are being funded through special designated gifts as follows:
 - A half-time Pastoral Intern, Grace Alworth, will start this fall and be with us for 18 months.
 - Part time help for Office Administration and Facility set-up and take down. Hiring is in process.
- Volunteers help us avoid payroll costs. Please contact Michelle in the church office at mreber@tlcmn.com for current volunteer needs.

Year to Date Operating Income/Loss:

- Current operating loss of \$56,000 as compared to a 2018 loss of \$80,000 at this time, not considering the special appeal of January 2018.***

Summary

Our goal remains to deliver on our balanced budget, but it is very tight with little room for variance.

Our Financial Development Team (one of the six Strategic Plan key area ministry teams) is actively advising staff and council. Church Council is managing expenses with staff throughout the year. Pastors are actively involved in our financial management.

Our Co-Pastor leadership model continues to evolve and is receiving ongoing evaluation. Reports will be forthcoming from the Pastoral Leadership Team and Church Council in this regard. Pastor Ed is spending approx. 25% of his time on the Addiction & Faith Conference as intended. Funding from Conference to compensate for Pr. Ed's time is expected later in the year.

We are thankful for the continued financial support of our many members and we pledge to continue good stewardship of our church finances.

Report respectfully submitted by the Stewardship and Financial Development Teams: Chip Smith, Norma Macdonald-Ockwig, Hildred Dungan (chair-Stewardship Team), Sue Brickley, Jerry Olson, Dick Haugen, Bob Riley, Beth Mercer, Pastor Arthur (chair – Financial Development Team). Questions may be directed to Jerry Olson, Chip Smith, or Pastor Arthur.

*** A special appeal was sent to the congregation in January of 2018. This appeal resulted in additional one-time gifts amounting to \$140,000. These one-time gifts of last year make a direct comparison with 2019 fiscal year-to-date patterns

somewhat unhelpful. When the \$140K special appeal is taken out of consideration, income and expense patterns have been remarkably consistent over the last three years, with only a small variance from year to year.