

Core Team Financial Update
August 2021

I've been at Holy Trinity for almost 30 years now – I joined the church just before Pastor Ed Stevens retired and Pastor Ron Nicholas took the reins. Over the years, like so many of you, I have served the church in various capabilities. Todd Loose invited me to join the Trustees in 1993, and Dorothy Nicholas invited me to teach middle school youth. I soon realized I was not well-suited to either role. I shifted to Outreach which has always been my passion, and I began teaching my daughter's pre-school Sunday School class – I followed her through 7th grade and then stayed there for many years – I had found my groove.

Over the years, I was part of the leadership team at various points. Every year that team would set a budget, collect pledges that were never quite enough to cover the budget, and yet we always ended up "in the black" at the end of the year – we called it a "faith budget". We didn't take out debt to pay our bills, and we rarely went to the congregation asking for more. It worked and we got comfortable.

Well, things have gotten tougher for us financially over the past couple of years. Even before COVID, we were anticipating a split in the global United Methodist Church and lost the support of some members. Then COVID hit eighteen months ago. We had to shift to online worship very quickly and have since struggled to keep our members fully engaged in the life of the church. This has led to further reductions in giving.

The Core Team has been monitoring the situation for over a year, hoping that it would improve once we were back to in-person worship. We have cut unnecessary spending and agreed to dip into reserves to maintain our current level of staffing and programming. After all, if a pandemic isn't reason enough to dip into the "rainy day funds", what is? The Core Team agreed that we would not let our reserves balance drop below two months of operating costs (about \$60,000).

So here is our current situation:

- In 2020, after receiving \$35,000 of one-time COVID relief funds, we barely covered our expenses.
- In the first seven months of this year, we have used \$35,000 from reserves to cover operating costs.
- We currently have about \$50,000 available in reserves to cover operating costs. At the current rate, we will go through that by the end of this year.
- To be clear, we are not drawing on designated funds, such as the Building fund, memorials, or mission giving to pay for operating costs.

We share this information with you for a few reasons:

- We wish to be transparent with you – you should be aware of this situation.
- We wish to assure you that we are considering all our options for balancing our budget. This includes:
 - o Increased giving
 - o Reduced spending
- We wish to make you aware that, without an increase in giving, we may have to make some very difficult cuts in programming to reduce our spending.
- We ask that you support us in prayer as we seek to discern what God would have us do.

This is a tough situation for all of us. The Core Team takes very seriously its responsibility to manage the resources of our congregation and to provide God-inspired programming through worship, outreach, fellowship, education, and family-focused ministries. We will provide you monthly updates after each Core Team meeting. In the meantime, please reach out to Pastor Chad or one of the Core Team members listed below if you have any questions.

Thank you and God bless,

Deanna Hawkins
Core Team Chair

Core Team Members:

Carol Ottoson
Collan Zehnder
Tanya Alemu
Brad Wahl
Jeff Erlandson
Lynnette Dobberpuhl

**Holy Trinity United Method Church
Income & Expense Summary
For the Month & YTD Ended July 31, 2021**

	<u>July Only</u>	<u>July 2021 YTD</u>	<u>July 2020 YTD*</u>	<u>Change YTD</u>	
Income					
Pledged	\$ 14,238.00	\$ 121,286.80	\$ 146,973.82	\$ (25,687.02)	
Other	170.09	3,063.46	4,711.10	(1,647.64)	
Total Income	<u>\$ 14,408.09</u>	<u>\$ 124,350.26</u>	<u>\$ 151,684.92</u>	<u>\$ (27,334.66)</u>	Less YTD giving
Expenses					
Administrative and Salaries	\$ 17,346.20	\$ 120,225.68	\$ 126,927.92	\$ (6,702.24)	
Apportionments	2,499.00	17,493.00	18,130.00	(637.00)	
Property and Maintenance	3,693.31	20,788.84	26,894.12	(6,105.28)	
Other	178.76	1,233.22	3,022.86	(1,789.64)	
Total Expenses	<u>\$ 23,717.27</u>	<u>\$ 159,740.74</u>	<u>\$ 174,974.90</u>	<u>\$ (15,234.16)</u>	Less YTD spending
Net Income/(Loss)	<u><u>\$ (9,309.18)</u></u>	<u><u>\$ (35,390.48)</u></u>	<u><u>\$ (23,289.98)</u></u>	<u><u>\$ (12,100.50)</u></u>	

**Excluded one-time 2020 COVID relief funds*