

BACON FINANCIAL REPORT – TOWN HALL 2021 (A look at our finances for 2020)

With this report, we've included a Budget vs. Actual for 2020, as well as a Tithe & Offering Trend, comparing 2020 to prior years.

The Budget vs. Actual includes a breakdown of our income between the Church, HCDC, and Missions. It also includes a breakdown of expenses, including

- Capital Improvements
- Pastoral Compensation & Expenses
- Support Staff Compensation
- Administrative Expenses
- Building & Property Expenses

In addition, you see ministry expenses (Worship, Adult, Youth, Children's, & Sunday School), along with our denominational expenses and our daycare and missions expenses. *If you would like to request a more detailed breakdown of expenses, you can contact the church office at (410) 838-8290.*

The Tithe & Offering Trend shows that we are off by about 2.2% in budgeted giving for 2020 (or about \$12,800). In a year we have dealt with COVID and relied more on online giving and mail-in donations, the finance committee felt positive about this and is thankful for all who gave in 2020. In addition, we had our strongest December as far as giving in more than five years, and we started 2021 off strong with a good January of giving.

Despite all the challenges faced in 2020, we finished 2020 off with budget versus actual expenses at only \$9,358 over. Overall, including expenses covered by funds, expenses exceeded income by \$124K in 2020. There are some factors to consider with this:

- We spent almost \$83K in non-budgeted capital improvements, including lobby renovations, stage renovations, and new multimedia equipment. We also replaced all of our indoor and outdoor lighting to LED.
- Our daycare came in at \$20K under expected income over expenses, because we were operating on a limited capacity due to the pandemic. *(Note: In our income for HCDC, \$83K was provided to the daycare because of our designation as an EPPC site. Because of this designation, the daycare was able to stay open, although in a more limited capacity.)*
- We spent around \$6.5K more in missions in 2020, using excess funds we had from 2019 because of a successful Faith Promise campaign that year.
- Even with the expenses being over income, we have strong balances in our accounts at the end of the year 2020. Our Checking accounts balance is \$217,050.61, and our Investments (Savings) account balance is \$728,764.04.

In keeping track of giving for the last five years, we have been in a downward trend for the past five years. Here is a breakdown of giving by age groups for the year 2020:

- 9.7% of givers are in the 24-34 age bracket, accounting for 6.3% of giving

- 34.5% of givers are in the 35-54 age bracket, accounting for 25.7% of giving
- 30.4% of givers are in the 55-69 age bracket, accounting for 47.8% of giving
- 23.1% of givers are in the 70+ age bracket, accounting for 20.2% of giving

The majority of givers (53.5%) are above age 55, contributing close to 68% of giving. The downward trend in giving is likely attributed to a decline in the younger adults in our community giving on a regular basis. This is further seen by the fact that we only had 4 recorded givers age 23 or younger.

In summary, our giving has had a downward trend the past five years but our fund balances (checking and savings) are on solid ground. We are budgeting based on giving trends.

During 2020, we made it a major priority to give to others, both locally and abroad. This included:

- Money sent to Honduras to help in the aftermath of two devastating hurricanes
- Lunches for teachers and school staff at Edgewood High School and Roy Williams Elementary
- Gift cards for teachers and law enforcement and health care professionals
- A 5K Virtual Run for Welcome One
- Hope Totes for the Sunday Breakfast Mission
- Help for widows in Kenya through Sundi's Gift
- A food drive for families in the Edgewood area, distributed out of Edgewood High School

In April of 2020, our church applied for and was awarded a "Paycheck Protection Program" loan in the amount of \$190,800. This loan was made available to small business and non-profits, because of the challenging financial consequences due to the pandemic. The church board made the decision to apply for the loan because there was uncertainty surrounding the daycare. The daycare was facing lower enrollment because of COVID guidelines. Throughout the year (and in 2021) we face the possibility of classes closing because a teacher or child tests positive for the virus. (When this happens, the class shuts down for two weeks. We continue to pay staff, but parents do not pay.) There was also a concern the daycare might need to shut down at some point. In addition to this, we faced uncertainty with regards to giving because we went some time with no in-person services, and operated with limited in-person services throughout the remainder of 2020. The entire PPP loan amount is reflected in the checking accounts balance. We expect to be fully forgiven for the entire amount of the loan. Once this decision is official, we will use necessary funds to offset any losses. If there is any amount of the loan that is not forgiven (this is not expected), we will repay it immediately. The remaining balance will be used in a ministry towards others.

(Reports and Summary compiled by Gary Feveryear, Facilities Committee Chairperson, and Gregg Alsbrooks, Lead Pastor.)

