

The Treasurer and Finance committee oversee and advise Council on the financial status of the church, plan for the church's financial future and provide guidance on effective use of the financial gifts that God has blessed us with. The Finance committee includes Leah Krueger, Kim Mohalley, Jay Weiss and Dawn Jacobson (chair).

Key activities this year include:

- Prepared contract for Pastor Ryan.
- Established and gained approval for an account owner for each operating expense account and dedicated fund account.
- Monitored all monthly financials and recommended any needed changes.
- Prepared and presented the 2025 budget.
- Each year in February, the internal audit team completes the prior year financial audit review.

Operating Fund Financial Summary

	2025 Proposed Budget	2024 Actual	2024 Budget	2023 Actual
Total Operating Income	\$477,000	\$493,429	\$416,000	\$424,137
Operating Expenses:				
Benevolence	18,250	49,310	24,900	40,900
Programs	39,013	37,740	40,293	26,656
Staff	345,737	260,212	273,900	205,356
Facilities	<u>74,000</u>	<u>68,178</u>	<u>76,907</u>	<u>71,173</u>
Total Operating Expenses	477,000	412,440	416,000	344,085
Net Operating (Income less Expenses)	0	80,989	0	80,052
Restricted Fund Transfers:				
Misc. Expense	0	17,810	0	18,950
Facilities Fund Reserve	<u>0</u>	<u>63,179</u>	<u>0</u>	<u>61,102</u>
Total Restricted Funds	0	80,989	0	80,052
Net Income/Expense	0	0	0	0

2024 Year End Review:

Our income for 2024 was \$493,429 or \$77,429 over budget. Expenses for 2024 were slightly below budget (\$3,560 favorable). However it is important to highlight that the expenses for 2024 included an increase in benevolence of \$24,410 over budget! Total benevolence was \$49,310 or 10% of income. Program expenses were below budget by \$5,553 and this favorability was across nearly all program expense accounts. Staff expenses were the main driver of the overall favorability resulting in \$13,688 below budget. Staff favorability is primarily due to not having a youth director for a majority of the year offset in part by hiring of a second pastor in September. The second pastor was not included in the 2024

budget. Facilities expenses were also favorable to budget by \$8,729. After increasing benevolence, as mentioned above, \$80,989 remained as net income. Council approved \$1,000 to be moved to dedicated funds for the Technology to hire an external expert to come in a review our set up for sound, etc. In addition \$16,810 was approved to be moved to a new restricted fund for 2026 expected technology needs. The remaining \$63,179 was moved to Facilities Fund Reserve as we continue to build this fund to prepare for a major parking lot re-work as well as other building and grounds major expenses in the next 3-5 years. We truly have been blessed to once again increase our benevolence and save for our future large facility maintenance projects that will be required.

It is important to highlight that the Finance committee invested a large portion of our restricted funds into 2 rotating CDs. The total investment was \$400,000 and we earned \$25,540.19 this year. We reinvested the earnings into the CDs as the money was not needed immediately. We will continue to watch earning rates to determine the best investment strategy based on when the money needs to be available for use.

As a reminder, restricted funds are set up for specific uses (see list below). This can be considered a “saving plan” for future needs of the church. Balances can be found towards the end of the detailed financial section.

Memorials: Funds given in memory of a loved one

Operating Fund Reserve: Reserve for potential future times when there is an income shortfall

Facilities Fund Reserve: This is a savings fund for large building/grounds planned expense needs

Facilities Maintenance: For unplanned/emergency building /grounds needs

Insurance Provision: Resources for potential large changes in healthcare costs for our ministry staff

Restricted Estate Fund: Gifts given from an estate for specific use as agreed with the family

Future Technology: 2026 anticipated technology needs

2025 Budget:

Our 2025 budget income has increased significantly based on the 2024 actual giving. The \$477,000 income reflects all pledges as well as an estimate for money we generally receive above our regular pledges. Expenses for 2025 are also significantly higher than the 2024 budget. Benevolence is planned to be 4% of our total Operating Income (see finance income and expense report for detail on the specific benevolence groups budgeted). Of course, we hope to increase this amount should our income be higher than budgeted as we have done the past few years. Programs are slightly below 2024 budget. Our staff is budgeted to be significantly higher than our 2024 budget, \$71,837 increase. This is the result of a full year of our second pastor and increases in on-going staff salaries partially offset by no longer having a youth director position. Facilities expenses are budgeted to be slightly below 2023 budget.

Respectively submitted by:

Dawn Jacobson (Treasurer and Finance Committee Chair)