

July 8, 2022

Update on Hope Church Finances

Following is a summary of our short and long-term financial situation. Overall, Hope Church has a solid financial situation: our annual budget matches donations, we have a modest bank account to manage monthly ups and downs, and our mortgage is well under control. Following is a summary of the larger financial topics. If you'd like more information, please talk with me, Lindy Baker or Martha Carey.

Regards,

Phil Brondsema

On behalf of Hope Church Deacons and Elders

1. Annual budget:

We work to match our spending to our donations. During the pandemic, with reduced donations, we reduced our expenses as well. As we are now starting to grow, we are careful to not spend more than we take in. The Hope 2022 budget approved at the December 2021 congregational meeting was about \$570,000. In June 2022 the council reviewed the budget, and we now aim to spend about \$500,000. Year over year, we stay very close to a balanced budget – as we expect to do this year as well.

Hope Church keeps 2-4 months of budget in our bank accounts. This helps level out regular ups-and -downs of donations and spending.

2. Special Projects.

It is common for non-profits to do special fundraisers for capital projects, as we did this year for the air conditioning. We do have a fund in our budget that accumulates year by year for major repairs, but that fund was not sufficient to cover the ~\$30,000 cost for this AC project.

3. Spanish Language Church:

This work is largely funded by grants from the Christian Reformed Church and our local group of CRC churches called a "Classis". For the first several years, Hope's contribution is to supply facilities and administrative support, as well as hands-on support as makes sense. Since the majority of this work will not happen in our building in the first few years, the cost in 2022 will likely be <\$1000, and likely <\$7000 during each of the next two years. We can readily accommodate this in our normal expenses.

4. Mortgage:

We have a mortgage on the church with a balance of \$340,000, and are on track to pay it off in 2028. The value for our land and building is assessed at about \$2,600,000, so we have only 13% left to pay off. Our mortgage is through the Christian Reformed Church, which allows rates that are lower than we could get through a traditional bank loan. When we built the education/gym wing, we had also issued bonds to many individuals. Those bonds have been redeemed several years ago.