

Q & A For 2017 Financials & Proposed 2018 Budget

Stewardship of the Resources God Provides to Pennway:

For 2018 Pennway leadership wrestled with how much “faith” we should exercise vs making some tough financial decisions necessary to exercise good stewardship of the resources God has provided.

Using the income history provided the budget has been met for the last four out of five years, God is good, Pennway supporters have been faithful. Looking at the current giving, in forty-one weeks we have given \$349,400 with eleven weeks left. We could conceivably receive another \$94k based on current giving pattern which would still leave a short fall of \$38k from budgeted. History has shown that much of this will be made up by year end giving. Other factors are influencing the budget like the loss of significant givers who have finalized their journey to the Lord and with families living in two locations during the year and divide their church support with their second church home.

While our income will not meet the budget goal of \$481,000.00, our expenses have been reduced – anticipating our amount spent to be \$458,778.00. (see the Ministries Budget report for 2017)

To be fiscally responsible we have set our budget for 2018 at what leadership consider as a bare bones budget and yet a budget in which we are able to offer some minimal raises to encourage those employed in ministry at Pennway.

We have also gone back to those who use our facility weekly (HSMA –Home School Music Association and CC – Classical Conversations) and have discussed with them how much the costs are for their use our building. It has been determined that the utility costs for each day they use the facility is \$72. Add to that about \$10 a day in costs for maintenance and supplies for CC and about \$20 a day for those costs for HSMA and the total comes out to \$2460 for CC a year and \$3680 a year for HSMA. Both will increase their gifts to the church to an amount over those costs.

Staff Changes:

For 2017 we put before the people of Pennway a very challenging budget with the need to significantly increase our giving for the year. That was because we brought back on staff a 4th full-time pastoral staff person. We committed to see how God would lead us, with a plan to then evaluate the situation at the halfway point of the year. At that half-way point we realized we were not seeing the increase we needed so in an act of good stewardship, adjustments were discussed. Pastoral staff all looked at what God might change for us to supplement our income (part-time, other ministries, etc.). God then called James to another church and that reduced our financial need for the rest of the year.

Pennway Staff Compensation:

Those who support Pennway financially, as the church body, recognize our amazing staff for the great ministry they provide. We want to reward and honor them financially even with a small increase. The Leadership Board wants to point out that our senior pastor, Pastor John, has declined any compensation change so that others might be rewarded.

Budget Trend Information:

Included here would be how faithful the people have been in giving and how for the last 4 years we have brought in more than budgeted.

	Giving	Budget	Expense	General Fund Balance	Subsplash Giving	Subsplash Fee	
2012	454,909.88	470,000.00	449,833.97	8,648.38	0.00	0.00	
2013	464,735.78	462,000.00	414,903.67	18,905.32	0.00	0.00	
2014	475,384.98	436,000.00	449,346.07	44,944.23	0.00	0.00	
2015	446,271.26	446,000.00	449,354.81	41,860.68	0.00	0.00	
2016	500,264.60	496,000.00	486,493.67	47,105.98	2,568.00	94.12	4%
2017 (Thru 10/27)	364,548.60	481,000.00	384,021.23	27,633.35	43,186.74	1,053.06	

Utilities:

Pennway is always seeking ways to better conserve energy cost like more energy efficient lighting and individual controlled heating and air-conditioning. Changes have been made as a result of the capital campaign, which saved some expense, while incurring new expense for building wide air conditioning. Other changes like more efficient lighting have been made but often the initial investment takes time to recover. As a result, we are budgeting for an increase in expense, as we continue to maximize the utilization of the building year round.

Van:

We all were blessed to have survived a serious accident without significant injuries or even loss of life due to the skills of Pennway's youth leader, the van driver. The vehicle being used can no longer be replaced with a similar one due to insurance regulations. Also any replacement vehicle capable of transporting the same number of passengers as the old one now requires a licensed driver have a CDL (commercial drivers licensed) . The small insurance settlement of \$4,300 does not allow sufficient monies to obtain a replacement vehicle meeting these requirements. Pennway's needs may be better served by renting a van when the need arises. The Leadership Board and Pennway staff, will continue to monitor this and consider appropriate action throughout 2018. This a great ministry opportunity for anyone meeting license regulations and who also is willing to share the time to assist the youth on occasion.

Highlights of Budget Differences 2017 to 2018:

- Leadership Team, increased \$500 to recognize volunteers in ministry, pastor wives retreat and guest speakers honorariums.
- Children's Ministries, VBS, Kidzone increased from \$8,550 to \$10,000 reflecting the growth in ministry here, but is reduced from initial budget estimates of \$16,000.
- Outreach Ministries, increased from \$875 to \$1,000 to cover additional costs of this priority.
- Staff compensation shows the 3% increases. The reduction in Office Administrator is the result of Geneva leaving and looking to hire someone at a starting rate and for less hours.
- Professional Development for Worship & Arts and Children's pastor is increased to cover expected costs.
- Building & Maintenance are up from \$80,000 to \$82,750 showing a net of utilities being up by \$7,000, van costs being lowered, and night watchman costs removed from the budget.