

BECC Financials 15 Years Later



The Bethany Early Childhood Center (BECC) first opened its doors in August, 1995. It was established as a program of Bethany Lutheran Church and not as a separate organization. The Church Council has the fiduciary responsibility for BECC while the BECC Board was established to oversee the operations of the center and work closely with the Director to ensure its success. To get the program off the ground, Bethany made a substantial investment of \$176,000 from the General Fund in 1995 and 1996. Since that time, the goal has been for BECC to be self-sustaining. The following table summarizes the year-by-year gain and loss for BECC, with and without the depreciation expense. As the church has never charged BECC for

the use of the building (which can best be represented by the depreciation expense) the difference between the total with and without depreciation represents an investment of nearly \$130,000 over the 15 year period.

In addition, the church invested in BECC during our construction project in 2002. The total amount attributed to BECC out of the construction expense was \$193,000 which included the remodeling of the classrooms and main office, a new roof and fire alarm system upgrades. With the initial investment, the depreciation expense and the construction costs, the total investment that Bethany has made in BECC is nearly \$500,000.

Currently BECC has more than \$250,000 in cash and investments, of which nearly \$100,000 is designated for generating scholarship income and other purposes. The Council, along with the BECC Board, will be assessing the balance of the available funds to determine how these funds can best be used for the benefit of Bethany's mission.

	<u>With Depreciation</u>	<u>Without Depreciation</u>
1996	(10,812.06)	(10,812.06)
1997	21,866.59	21,866.59
1998	8,917.76	8,917.76
1999	16,654.48	16,654.48
2000	19,830.28	32,585.16
2001	(38,458.34)	(27,113.06)
2002	(50,216.90)	(17,789.37)
2003	(14,742.07)	587.23
2004	13,221.86	19,586.43
2005	19,242.65	30,548.56
2006	20,113.09	29,315.83
2007	29,885.93	38,643.61
2008	13,955.37	23,020.95
2009	(951.16)	3,556.28
2010	20,912.07	29,684.07
	<u>69,419.55</u>	<u>199,252.46</u>

(Expenses continued from page 2)

Despite the progress we have made to reduce our expenses, the contributions from our members have decreased even more significantly. To end the 2009/10 fiscal year with a balanced budget, the Church Council has approved the use of bequest funds in the amount of \$128,159. As we move into the 2010/11 fiscal year, please pray that the congregation is able to step up their support of the General Fund from \$1.918 million to \$1.95 million, an increase of 1.67%.

The BUSINESS of BETHANY

A Quarterly Newsletter from Bethany Administration



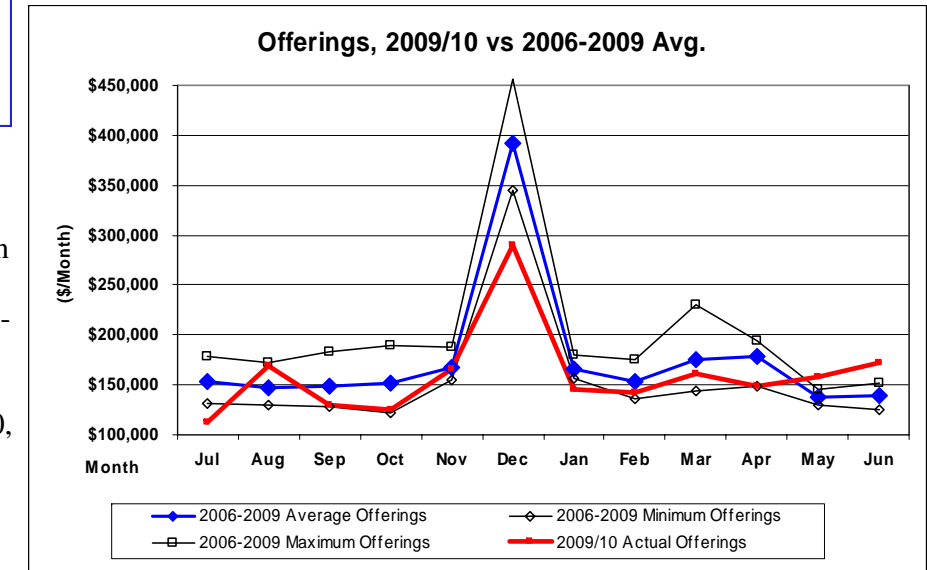
Third Quarter 2010

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2009/10 General Fund Update

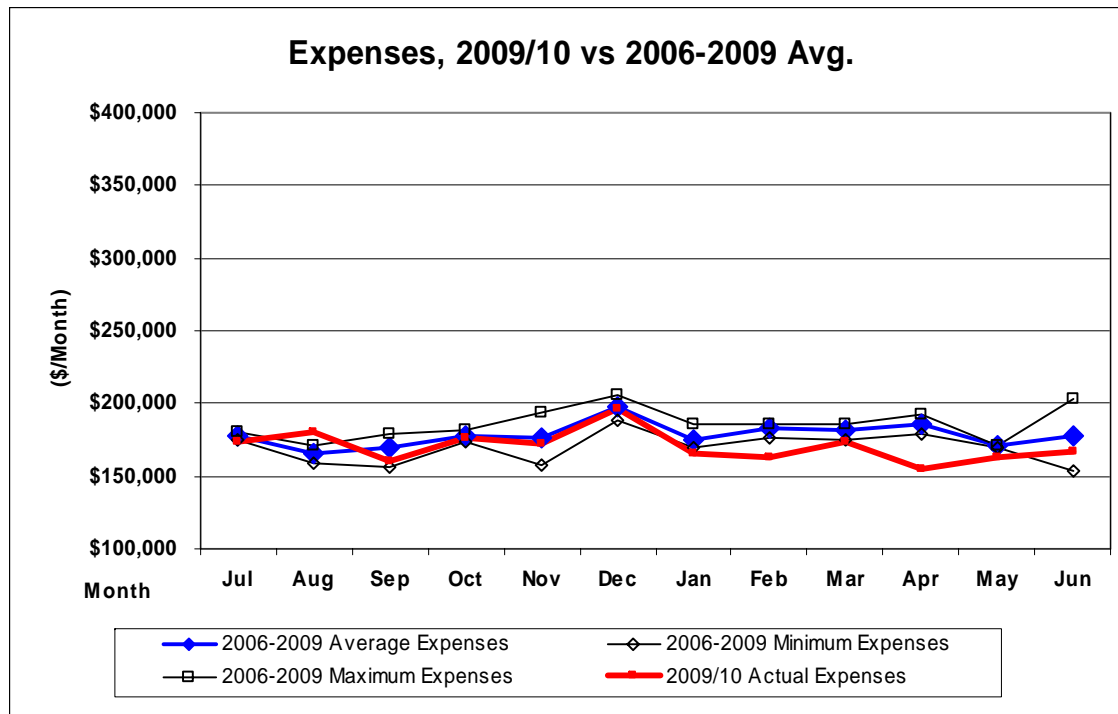
Total contributions to the General Fund for the 2009/10 fiscal year were \$1.918 million. As shown in the monthly summary below, the largest impact for the year was in December when contributions were \$100,000 less than the average over the past three years. The last two months of the fiscal year (May and June) were well above the average as well as the previous maximum contribution level. It would be great to see this trend continue as we start a new fiscal year!



Did You Know?

When the congregation approved the construction of a new building in 2001, the outstanding balance on our loan for the 1987 building was \$1.5 million. As of July, 2010, the outstanding balance on our loan for both the 1987 and the 2002 building is \$2 million.

Actual expenses for the 2009/10 fiscal year were \$2.046 million versus the budget of \$2.1 million. The actual expenses include principal payments (\$101k) and Founders Campaign Savings (\$258k). The monthly summary on page 2 shows that expenses have consistently been below the previous 3-year average with the exception of the month of August. Since December, our monthly expenses have been below the previous minimum level from the past three years. This was achieved despite the fact that the current year expenses include the commitment to the Founders Campaign Savings Fund while the previous years did not. This means that our operating expenses have been significantly reduced to accommodate this commitment.



The following table compares the major expense categories for the 2009/10 fiscal year versus previous years. As you can see, operating expenses have decreased by nearly 6.5% compared to 2008. This includes the Founders Campaigns savings in 2009/10 that was not included in 2008. Without the Founders Campaign savings, the percentage difference between 2008 and 2009/10 would be nearly 16%.

	Actual CY 2007	Actual CY 2008	Actual FY 2009/10
Operating Budget			
Personnel Expenses	\$1,161,360	\$1,224,151	\$962,661
Benevolence Ministry	\$215,992	\$208,596	\$236,112
Direct Program Expenses	\$82,358	\$93,874	\$79,807
Program Support Expenses	\$253,723	\$271,131	\$274,567
Debt service - interest	\$217,765	\$199,130	\$133,938
Founders Campaign Savings	\$0	\$0	\$180,951
Total Operating Expenses	\$1,931,197	\$1,996,882	\$1,868,037
		3.40%	-6.45%
Capital Budget			
Property/capital lease payments	\$40,574	\$17,304	\$10,887
Debt reduction	\$189,307	\$104,050	\$167,326
Total Capital Expenditures	\$229,881	\$121,354	\$178,213
GRAND TOTAL	\$2,161,078	\$2,118,236	\$2,046,250
		-1.98%	-3.40%

(Expenses continued on page 4)



Dear Uncle BOB-

I remember when we used to have special talks about “God’s way, not my way”. I have been thinking a lot about those conversations recently as my fellow church mice continue to struggle. There just doesn’t seem to be as many crumbs around the church as there used to be, and this isn’t because we have more mice in the church! In fact, we have fewer church mice because there are those who remain intent on making sure this happens – which I am sure is “not God’s way, only their way”. Anyway, I digress. The truth is that having less makes us do more – go farther, go faster, go longer – to make us stronger and better fit for the next challenge in life.

In the same way, I hear so many people around the church talk about challenges with money. I can’t help but think that people just don’t get “God’s way” when it comes to this subject. Getting more so you can spend more is probably not “God’s way”. Getting more so you can share more seems more likely. But that is not “my way” as I worry about the future- savings, retirement, college costs, etc. Why doesn’t “my way” include worrying about pleasing you, providing for those with less and “saving” for eternal life in heaven?

Similarly, the church is sometimes challenged with “God’s way, and not my way.” This past year was financially challenging at the church (or at least the General Fund), but God provided in unexpected ways. “God’s way” was much different than the traditional and expected way we hope to balance the budget. No matter, it all belongs to God who provides for even me – a mouse in a church.

Who’s Who: Joe Gendill



Joe Gendill is our newest member of the custodial staff at Bethany. He was placed at Bethany through Rite Source staffing, a local temp agency that Bethany uses from time to time. We hope to have Joe become a regular member of the Bethany staff in the near future.

Joe grew up in Arvada and has lived there his whole life. He was raised in the Catholic church. He comes from a family of six children: two older sisters and three younger sisters. He has gone to Catholic schools for most

of his life and went to Jefferson Academy in Broomfield for high school. Currently Joe works part-time for Saint Joan of Arc in Arvada as a custodian each weekday morning and feels fortunate to have been able to add the part-time position at Bethany in the evenings.

For fun Joe likes to do a lot of different art projects and write music. He plays the drums, guitar, and sings. He used to be in a punk/metal band. He loves to write, paint or read in his spare time. Joe is not sure what he wants to do with the rest of his life. He has always seen himself in youth ministry so that may be a future direction. In the meantime, Joe places his trust in the Lord and follows His way. Joe says, “Wherever He leads me I will be happy.”