

## TREASURER'S REPORT

The recession has affected the operation budget of Bethany Lutheran as it has all churches and charitable organizations. It has resulted in a reduction of staff by not filling empty positions. The professional and employee staff salaries were frozen for 2008 and 2009. The operational expenses have been reduced by Joel Halverson with careful management and contracts for services.

Fiscal Year 2009-2010.

The budget for the fiscal year ending June 30, 2010 was \$2,100,000. Contributions received for operations were \$1,987,000 leaving a shortfall of \$112,823. The Operating Budget was \$2,100,000. The actual operating expenses were \$1,687,085 and capital expenses were \$359,166. Payments from the Founders Campaign on the principal of the mortgage to Lutheran Services reduced the principal to \$1,986,924. The reduction has reduced the principal and interest paid monthly from the operational budget. Pursuant to a policy of Bethany Council, the money saved in interest payments from reduction of principal is placed in a restricted Founders Campaign Fund.

Fiscal Year 2010 – 2011.

Bethany Council and the Congregation approved an operation budget of \$1,950,000 for this fiscal year. The budget was based on contributions actually received in the last fiscal year. Additional one-time expenses have been paid from bequests received in 2009 and the Founders Campaign Fund. The budget provided for a 2% pay raise in July for staff except the Pastors and Administrator. It also provides for another staff increase in January. Council will review the budget after the December contributions to determine a pay increase for the professional staff. An additional \$225,000 was paid on the loan principal in October 2010 which reduced the principal to \$1,761,924 and the monthly P&I payments to \$14,790.

Founders Campaign Fund.

In 2008, Bethany Council set aside the savings in interest payments from the reduction of principal on the mortgage in a separate fund. The use of the fund was to be used as follows: 60% for maintenance of the church facility; 30% for new programs and 10% for outreach. Approximately \$214,000 has been spent on roof repairs, concrete and asphalt for parking and entry way, replacement of the church sound system, carpet installation, sanctuary shades and repair of the air conditioning system. Approximately \$77,000 has been approved on new programs for the Children's ministry, Faith Formation, Health & Wellness and the Intern.

Summary.

The Pastors, Bethany Council and Joel Halverson, as Director of Finance, carefully monitor the financial health of Bethany Lutheran monthly. We ask that the congregation continue to keep us in your prayers as we strive to carry out the mission, vision and goals of Bethany Lutheran Church.

D.E. Abram, Treasurer