



FINANCIAL UPDATE: DECEMBER 7, 2015

PASTOR TONY SHEN
CHURCH BOARD TREASURER

It is my honor to present both the 2015 year-to-date financial results of the church and the 2016 proposed budget, which I ask the membership to formally adopt tonight.

2015 Church Finances

The focus for this December meeting is primarily on forecasting in order to plan for a 2016 budget. To that end, the 2015 approved budget alongside the proposed 2016 budget is reported, as well as the actual expenses for the 12 months from October 2014 to September 2015. You may observe that because it includes the last three months of 2014, some of the differences between the budget and actual expenses may seem unusual. However, expenses are well under control. Although we are not reporting it, the year-to-date (Jan. 1 to Sep. 30, 2015) data shows that in every expense category, the church is either at budget or below.

I am most pleased to report that the Lord has moved through the congregation to support the church ministries at a higher level than we expected. As you recall, we passed a 2015 budget that reduced the anticipated offerings because several of the church's most generous givers had moved and left the church. But the Lord raised up others who more than made up for any anticipated shortfall. As a result, as you may have noticed from weekly church bulletins, the general offerings year-to-date have been over \$55,000 more than budgeted.

The balance sheet is likewise strong. Between 9/30/15 and today, there have been some significant changes, most notably the addition of the ministry housing on Bodger Ave. in Hawthorne and its concomitant mortgage. At the same time, we have also used funds to retire the existing debt on the ministry housing on Dunbarton Ave. in Westchester.

Special Funds are funds set aside from previous year's financial surplus for specific future ministry purposes determined by the membership. Think of them as internal "savings accounts" that are earmarked for things we want to save for. The elders have given church staff the discretion to spend up to a certain amount, they approve expenditures above a certain amount, and submit larger amounts to the congregation for approval. Next year I intend to report the inflows and outflows from these funds for the sake of transparency and clarity.

2016 Church Budget

The elders propose a budget that increases the anticipated general offerings by \$45,000. We believe this is a moderately conservative increase, given that this year's offerings are almost \$55,000 over budget, and this will probably increase during the month of December.

Ministry. The elders propose a moderate increase overall as our congregation and the ministry expenses continue to grow.

Missions. The elders propose moderate increases to selected missionaries as shown. Most notably, Advancing the Ministries of the Gospel (AMG) has assumed operations of the Guatemala ministries that were started by Mano con Mano. Pastor Jim Butcher and Adam Payton recently returned from a trip to evaluate the ministries and report that they are deserving of our increased support. AMG is part of a new budget category to distinguish missionaries, whose purpose is to plant churches and make disciples, from philanthropic ministries who serve the needy and further the cause of Christ outside the local church. The Southern Baptist Collective is a new grantee in this category, following DRC's joining the Collective at the last Family Business Meeting.

Staff. The major change here is increased salary for me (Pastor Tony Shen). I started working at DRC in 2011 at a small part-time salary of approx. \$10,000. It has grown step by step over those years, along with my hours and responsibilities, including being called and ordained as an elder in the church in 2014 and subsequently preaching more, continuing to teach, having oversight of Community Groups and the music ministry, and looking for ways to improve our Sunday worship services. The large increase shown reflects both increased responsibilities and increased hours.

In addition, the elders propose adding budget for additional Ministry Assistants for supporting ministries relating to children, youth, video, Spanish speakers, and women.

Facilities and Administration. Only minor adjustments in these budget categories.

Finally, in Other Income & Expense, you'll note our new mortgage payments to provide ministry housing.

As always, we are transparent with our financial records and happy to answer any questions you may have. Contact Tony Shen (tony@delreychurch.com) or Mike Dolan (mike@delreychurch.com).