

## Bridging the Gap

The District Board spent a considerable amount of time looking at the finances of the District at the March 9<sup>th</sup> Board meeting. Our expenditures were about \$4750 more than our income last year, even though we spent considerably below the budget approved by the delegates. This year, the Hottle draw designated for district operating expenses is \$8400 less than in 2018. Reserved funds are there to cover the difference, but that is obviously just a short-term plan. We have not had a balanced budget for decades but are planning differently for 2020.

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### Background

At the 2016 District Conference, delegates voted to increase the amount that was drawn from the Hottle Memorial Fund each year to provide increased grant money for churches and operating funds for the district and the camp. This action included the caution that this would involve drawing from the principal of the account and that funds available would decrease each year. The expectation/hope was that giving from the churches to the district would increase as the Hottle draw amount decreased. Contributions have increased by 8% since 2015 and we are grateful! But this has not “bridged the gap” with the decreasing Hottle monies being distributed.

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### What the District Board is doing:

**Praying** – for the work of the district and for wisdom as we seek God in all these things.

**Working to hold the 2019 spending at 2018 actual expenditure amounts.** The 2019 budget approved at District Conference was for \$238,237. Our actual 2018 expenditures were \$209,779.61. Pay increases for the staff\* previously approved for 2019 will make this number a little higher this year (Kris Hawk took a voluntary reduction in pay back to the 2018 level), but we have cut the number by 10% over the approved 2019 budget.

**Reducing 2020 budget by an additional 5% over the 2018 actual expenditures** in all categories possible. Again, Kris will reduce her salary. Spending in the other staffing categories will remain at 2019 levels. Because 65% of the budget is salaries, if further reductions are necessary in following years staff hours will need to be cut.

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### What we are asking the churches to do:

**Pray** – for the work of the district, for wisdom for district leadership as they seek God in all these things, for what God may be calling you to do in response to this need.

**Examine the amount your church gives to the district (self-allocation amount).** Can your church do more to support the vital ministries offered by our district? We know that many churches are in a difficult place financially also and understand that. We are only asking that you prayerfully and seriously consider the possibility.

**Make sure that your self-allocation form is completed.** This information allows us to budget more effectively. Please call the District Office if you need another form or instructions on how to complete it.

**Examine your membership list.** This number is reported to the denomination with your annual report. The district is assessed 0.65/each active member to help with Church of the Brethren programming on the national level. The number used is the last number reported, even if a church hasn’t reported for years. If your church has an attendance of 50, but a membership list of 150, that costs the district an additional \$65 that could be used in other ways.

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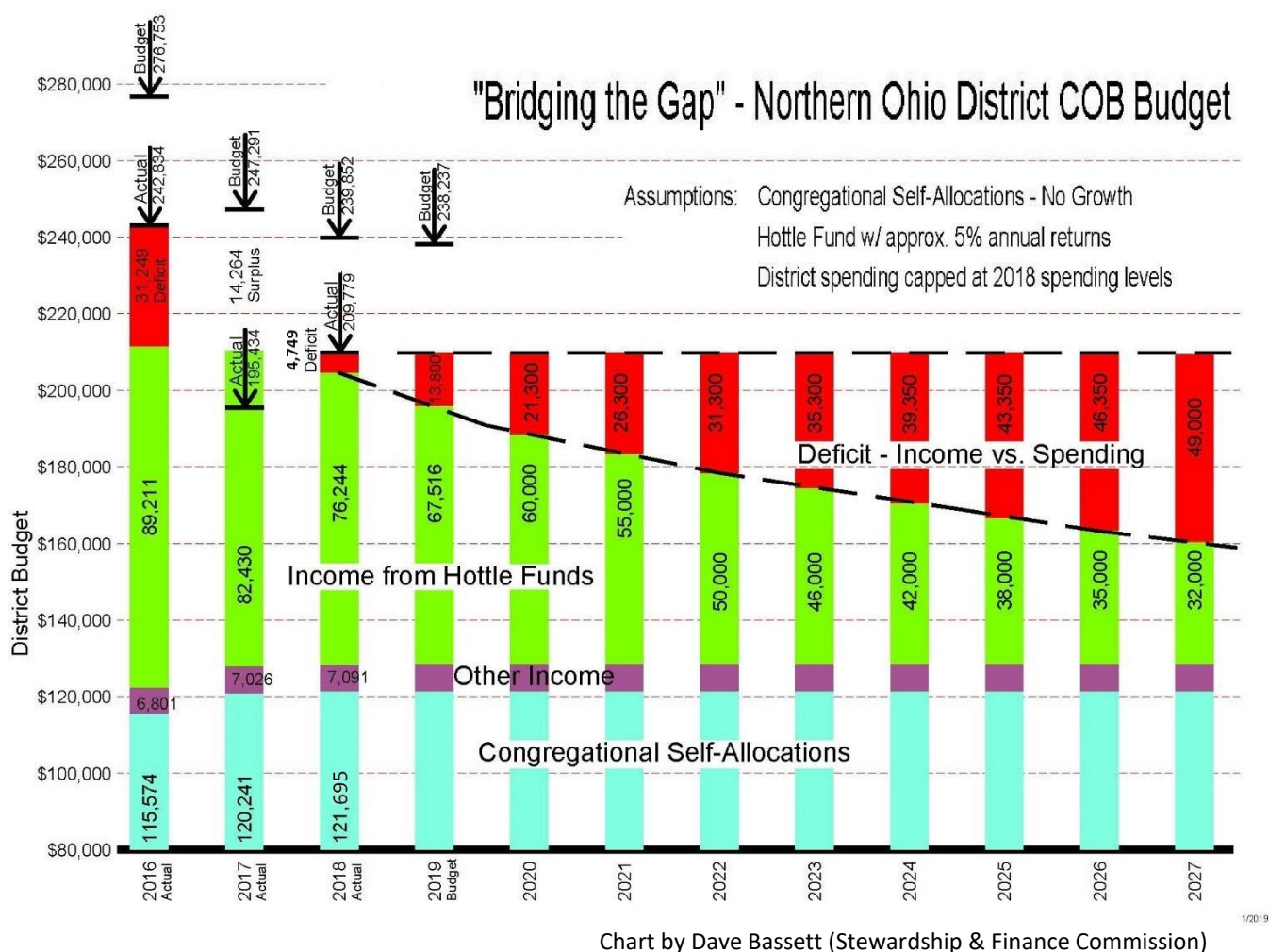
## What we are asking you to do as an individual:

**Pray** – for the work of the district, for wisdom for district leadership as they seek God in all these things, for what God may be calling you to do in response to this need.

**Encourage your church to examine the amount given to district ministries and increase that amount as possible.**

**Give an individual donation to the district above your giving to your church.** This can be through a designated offering at your church or sent directly to the District Office. These are tax deductible donations and you will receive a receipt.

\*Paid District staff paid for from the budget include 1) District Executive – full-time; 2) Administrative Secretary – 30 hours/wk.; 3) Youth Coordinator – 20 hours/wk. The Peace/Conciliation Advocate – 10 hours/week – is paid from the Peace Endowment Fund set up for that purpose.



**Blue** is income from churches giving to the district (self-allocation) assuming no increase.

**Green** is income from the Hottle fund that decreases each year. **Red** is the budget deficit predicted over time with spending maintained at the 2018 level. Numbers beyond 2018 are projected.

**Please contact a member of the Stewardship and Finance Commission (Maria Nichols, Dave Bassett, Charlene Kuhn, Ed Chase) or the District Office for more information.**

**A separate mailing with more financial information will be sent to Pastors, Church Board Chairs, and Treasurers.**