Finances in a Time of Faith, Hope and Adaptation

Old South Church in Boston
November 14, 2021
5 Financial Disciplines

1. Financial Transparency
2. Robust annual Stewardship Campaign
3. Robust annual Planned Giving Campaign
4. Hold to Endowment Spending Rule (4%)
5. Annually pay into the Capital Reserve Fund
In 2021 Old South continued virtual worship, began carefully and safely opening our doors, and embraced the challenges of the new hybrid environment.
In the fall of 2020, the Finance Committee shaped a 2021 budget that included three important factors:

- A full reopening in the fall.
- Keeping all full and part time staff on payroll until that time.
- Anticipating large expenses enabling the move to a robust hybrid worship.
2021 Operating Budget approved by Council: $2.4mm

with a projected $182k deficit

- Our $400k “rainy day fund” was still untouched
- We anticipated 100% forgiveness on the $360K PPP loan (which did in fact happen in 2021)
2021 Income

Budgeted $2.36 mm / Projected $2.4 mm
2021 Expenses
Budgeted $2,433,000 / Projected $2,420,000
## 2021 Operating Financial Summary

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Income up</td>
<td>$ 48,079</td>
</tr>
<tr>
<td>Projected Expenses down</td>
<td>$ 12,625</td>
</tr>
<tr>
<td></td>
<td>$ 60,703</td>
</tr>
<tr>
<td>Budgeted Deficit</td>
<td>($182,193)</td>
</tr>
<tr>
<td>Projected Deficit</td>
<td>($121,490)</td>
</tr>
</tbody>
</table>
Projected Operating Financial Position at the end of 2021

- ($121,490) – projected 2021 budget deficit (down from $182,193)
- $179,410 – Actual surplus in light of the 100% forgiveness of our PPP loan.
- $400,000 – Our Rainy Day Fund still has not been dipped into
- We enter 2022 with healthy financial resources and we face a challenging year (or more) ahead.
Old South Church is blessed with endowment funds from different sources. These are managed by our Trustees.

1. **General “Trustee” Endowment ($43.8 mm)**

   Annual draw supports the care and upkeep of our *Platform for Ministry* (buildings).
General “Trustee” Endowment ($43.8 mm)

2021 Draw = $1.33 mm

- $414k Capital Reserve Fund
- $6k Legal/professional fees
- $37k Cambridge Associates
- $874k OSC Operating Budget

Capital Reserve Fund
$414k in 2021 from endowment draw provided funding for our major Tower repair project and important work on the two pipe organs. The CRF balance is anticipated to be $1.3 mm by the end of 2021).
Our building is expensive; the congregation can’t afford it. The CRF pays for challenging maintenance and restoration projects. Old South undertook a necessary 1.9 mm in restoration project on the Tower in 2021.
2. Board of Ministers & Deacons ($2.4mm)
Care for the poor and needy; worship support.

3. Mt. Vernon Church ($3.7 mm)
Old South Church receives a substantial portion of Mt. Vernon’s annual endowment drawdown.
2021 Endowment draw of $1.33 mm pays for our buildings and their maintenance.

Your pledges, your generosity, fuel our ministries, outreach, and programs, not the building.
What We Assume for 2022

- Our in person worship will continue to increase, as will our building use. We hope to be fully open by Lent.

- While some of our past building users will not return, we will respond fully to new inquiries.

- The vagaries of our economy will affect the ability of some in continuing giving at the same levels.

- We have welcomed fewer new members in 2020/2021: less potential for new giving to offset normal attrition (we are experiencing abnormal attrition).

- We will draft a careful budget (income & expense); remaining committed to full ministries on all fronts.
What We Know for 2022

- We will run an upbeat, robust Stewardship Campaign, counting on the generosity of those who can support our mission.
- Continue to care for our building, our “platform for ministry”.
- We will improve our online worship and programming.
- Continue to fight for equality and justice for God’s creation and people.
- Thank God for a generous Congregation and healthy financial resources that will help us get through these times.
We celebrate ...

- A Teaching, Calling and Sending church
- A Sanctuary church
- Creative programming with our children, youth and families.
- Ministries to the unhoused
- Antiracism, climate crisis, interreligious work
- Housing, LGBTQ+
- Partnerships: City Mission, Snowden, GBIO, Boston Warm, etc.
- Intergenerational, including young adults!
- Small Groups
It Is An Undertaking

- **Board of Trustees**
  Kristi Geary, chair

- **Finance Committee**
  Niels Peetz-Larsen, chair
  Bill Bulkeley, Treasurer

- **Planned Giving Committee**
  Cathryn Griffith, chair

- **Stewardship Committee**
  Kathy Wade, chair

- **Operations Committee**
  Lisa Loveland, chair

- **Generous Christians** - You!
THANK YOU OUR
MOST AMAZING
ASTONISHING
MARVELOUS
GENEROUS
SPLENDID
GIVERS!