



Centennial Family,

We are currently in the wonderful place of running a financial surplus. We are in the black (which our bookkeeper, Ron Mol, assures me is a good thing in the financial world). **Good news!**

Some might wonder, “What happens when we have a surplus?” Or the thought may even cross your mind, “Does this mean I can decrease my giving? That we are over funded?”

Let me take a second to speak to those inciteful and appropriate questions.

What happens when we have a surplus?

A budget surplus – in the world of churches or non-profits – is a fairly normal thing. That is because it’s nearly impossible to perfectly predict all the costs that will arise from our ten budget categories and 95 budget line items. For example, this past year, we did not have a staff position filled, so that line item was significantly under spent, that is one big reason for the current surplus.

When we get to the end of the fiscal year, our Council, Staff, and other key leaders will follow an intentional process of discerning how those surplus funds should be distributed. Let me give you a few notes on that.

1. They must be distributed according to the budget that was passed by the congregation. Funds cannot be distributed in any way not already approved by a vote of the membership in the normal budget process.
2. Any funds not distributed according to the budget go into the reserve fund by default. Our reserves are currently at about 2 months of expenses, but it would be wise if we could build that up to 3 months.
3. Almost always, we use surplus funds to ensure we meet 100% of the amount of support we pledged to our seventeen local and global mission partners.
4. Further, these funds are often used for necessary building maintenance and upkeep, or special ministry projects proposed by one of our ministry teams.
5. Regardless, surplus funds are used to further the church's mission in accordance with the membership's guidance through the Council.

We take financial transparency and fidelity seriously; you can rest assured that all funds are spent and tracked appropriately. If you ever want more information, always feel free to reach out to a Council member, our treasurer or financial secretary or bookkeeper, or a member of the staff.



Does a surplus mean we can reduce giving?

Again, a great question. And again, a few thoughts.

1. Remember, expenses – especially in the past few years – continue to go up. Insurance costs for the building, organization, and staff members rise every year.
2. Other costs also rise, such as utilities, snow removal, and basic upkeep.
3. As a church, we have sought to compensate our staff well, that requires cost of living increases and potential further increases each year. Decreases in giving make this more challenging.
4. There is always the hope that God will launch new ministries or plant new churches out of Centennial as he has in the past. Consistently strong giving makes it more likely that this hope and prayer would become a reality.

All of these and more are some reasons to consider that, when we have a budget surplus, it should not cause anyone to reduce giving. Rather, it means that the opportunities for continuing strong mission and ministry are ripe. My prayer would be we all give generously and proportionally for the sake of ministry and continue that giving regardless of the ups and downs that come in a fiscal year.

I hope that is all helpful information. And now, here is a snapshot of the current finances, including our surplus. Thanks for your commitment to the mission and ministries of God through Centennial Covenant Church.

Grace and peace,

Karl

Lead Pastor, Centennial Covenant

Here's the current snapshot of our income and expenses. Thank you again for your commitment to the mission and ministry of God through Centennial Covenant Church.

\$664,481.00	Budgeted Giving Through July 2024
\$662,582.00	Actual Giving Through July 2024
\$-1,899.00	Net

\$683,232.00	Budgeted Expense Through July 2024
\$652,783.00	Actual Expenses Through July 2024
\$30,449.00	Net