

First Congregational Church in Oshkosh
Annual Report 2014
Treasurer's Report and Finance Ministry Group Report

I've been thinking, praying, and writing this report in my head and on paper for days. It is, perhaps, one of the most challenging things I have written in months. In the end, I just need to get some facts, observations, and my thoughts on paper. These are *my* thoughts and observations, but come with considerable experience in working in the church, raising money in the church and non-profits, and managing budgets. I get to share these thoughts with you because, in this church, my name has the word "treasurer" behind it and that what's expected of the treasurer. Facts, observations, and guidance. But these are the observations of but *one* person. Surely this report will be the catalyst for more conversation and prompt many more observations and ideas – and there are so many others with helpful ideas to share!

There's no gentle way to break this news. 2014 was a rough year financially. The problem wasn't on the expense side – expenses were only over budget by less than 1%. The challenges are all on the income side. Income was more than \$26,000 below what was pledged, estimated, and needed to sustain this church and its ministries.

Our congregation – like most non-profit organizations – depends on the generosity of its members and friends to support the mission and ministry of the church. Unlike a business we do not charge for "services rendered". We do not require anyone who attends our church and participates in the life of the congregation to pay dues or a minimum pledge. There is nothing unusual or unsustainable about this model. People who believe in what an organization does provide financial (and other) resources to further the organization's work. The challenge is always engaging the people who believe in the mission to support the organization.

There are many programs, philosophies, and observations about how to raise the needed funds to sustain and grow a church. We've tried a few of these over the years – some more successful than others. But the fact remains, no matter how you go about it, the program and mission of this church is only possible with the generous support of those who believe in what we do together, in this community and in the broader church and world.

Some would ask if we can cut expenses to "save our way out of this problem". We could, but given the fact our personnel compensation is 66% of our budget, building maintenance and operations is almost 16%, and our benevolent giving (our financial outreach into the community, church, and world) is almost 9% of our expenses there is little left to cut. These three spending categories encompass 91% of all of our spending. "Saving our way out of the situation" is possible, but painful and we'd be left with a skeleton of the program we currently have.

We've been cutting the expense budget in big and small ways for years. To do more "cutting" we'd have to cut staff which would surely impact our programs – which eventually impacts our members' experience and then (potentially) their financial support of the church. We could defer maintenance on the building, but that would eventually cost more and won't solve the problem long-term. Or we could cut out almost all of the financial gifts and support we provide to other worthy organizations (benevolence) beyond the church – but that leaves a church that is only supporting itself for the sake of

itself. There would be no outreach, no tangible support to others who do good works beyond the church, no “tithing” of the gifts that are entrusted to us to do God’s work in this world.

The more viable and attractive option to this situation is for us to reconsider stewardship – that is, giving to support the work of our church. Stewardship has historically been a once-a-year process to “raise funds”. It’s time we re-vision stewardship, giving, and financial support as something we do not just once a year but as an ongoing commitment to the need, mission, and belief in the organization. We need to grow the income side of our budget, not cut the expense side.

One of the challenges of writing this report is the fact that none of this accurately describes every person and every situation. Many people give generously. I know some people are giving to levels that are a sacrifice for their family, budget, and financial situation. I can think of dozens of people who give in other ways besides cash – and give generously to sustain this church. And there are people whose situation dictates they can’t give financially. My observations are, in no way, meant to judge or minimize anyone’s contribution or decisions. What we have before us is a looming financial deficit that is projected to grow significantly in the coming years. Together we need to figure this out.

I stated this report saying these are facts, observations, and some of my thoughts. There are so many others in this church who have skills and experience, observations and ideas about the changing patterns of giving and supporting organizations like ours. In the coming weeks I will be gathering some of these people to begin the hard but important conversation about re-visioning the way we raise money to support the work of this church.

We need to begin this hard work and be determined to answer the difficult questions. We have the people, ideas, resources, and commitment to do this.

As Mike Leckrone, the director of the world-renown UW Marching Band, tells band members “this is hard work. To succeed and thrive we need to be tough enough to eat a rock”.

It won’t be easy and it may be uncomfortable at times, but it’s worth it.

Eat a rock.

Jeff Puhlmann-Becker, Treasurer

Lurton Blassingame

Mike Duffy

Len Herricks

Jim Hoffman

Phil Moseley

First Congregational Church Oshkosh
2015 Budget
 Adopted January 10 2015



	Actual 12/31/2014	2014 Annual Budget	2015 Adopted Annual Budget	difference YE2014 vs 2015 Proposed	Percent of Total Income of Expense
1 Contributions (pledged)	226,202	253,717	235,000	8,798	75.3%
2 Other Contributions (generally unpledged)	25,875	24,000	24,000	-1,875	7.7%
3 Plate Income (Sunday morning cash in plate)	5,370	5,500	5,000	-370	1.6%
4 Interest and Dividends	0	0	0	0	0.0%
5 Rent	2,020	2,865	2,000	-20	0.6%
6 Miscellaneous	99	75	100	1	0.0%
7 TOTAL INCOME	259,566	286,157	266,100	6,534	85.3%
8 Personnel Compensation	227,722	233,842	232,276	4,554	66.5%
9 Admin and Office Expenses	16,317	13,753	16,317	0	4.7%
10 Building Operations and Utilities	47,781	43,195	45,556	-2,225	13.0%
11 Fellowship Ministry Group	1,615	1,500	1,615	0	0.5%
12 Finance Ministry Group	214	540	214	0	0.1%
13 Buildings and Grounds Maintenance	7,985	7,500	10,000	2,015	2.9%
14 Personnel Ministry Group	0	0	3,000	3,000	0.9%
15 Church School Ministry Group	1,572	2,700	1,572	0	0.5%
16 Youth Ministry Group	796	1,300	796	0	0.2%
17 Adult Ministry Group	313	266	313	0	0.1%
18 Benevolence	33,810	33,806	30,720	-3,090	8.8%
19 Music Ministry Group	333	564	333	0	0.1%
20 Angel Choir	30	102	30	0	0.0%
21 Handbell Choir	0	19	0	0	0.0%
22 General Music Expenses	2,687	3,411	2,687	0	0.8%
23 Worship Ministry Group	2,359	2,450	2,359	0	0.7%
24 Ministry Council	631	474	631	0	0.2%
25 New Member Ministry Group	181	1,458	181	0	0.1%
26 Social Justice Ministry Group	0	510	510	510	0.1%
27 Stephen Ministry	257	195	257	0	0.1%
28 TOTAL EXPENSE	344,603	347,585	349,368	4,765	100.0%
29 BALANCE	-85,037	-61,428	-83,268	1,770	
30 TRANSFER FROM OACF - OPERATING	25,000	25,000	25,000	0	8.0%
31 TRANSFER FROM TRISS FUND	28,000	28,000	21,000	-7,000	6.7%
32 BALANCE	-32,037	-8,428	-37,268	-5,230	

TRISS WITHDRAWAL SCHEDULE

	21,000.00	2012
100%	35,000.00	2013
80%	28,000.00	2014
60%	21,000.00	2015
40%	14,000.00	2016
20%	7,000.00	2017
TOTAL	126,000.00	

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Personnel Ministry Group

For many years the Personnel Committee's job was pretty easy – and it's always been completely enjoyable! We have a staff comprised of gifted and dedicated people who enrich our common life with their enthusiasm and gifts. The Personnel Committee is charged with the task of finding, supporting, and advocating on behalf of the staff who serve with and among us. Easy task to do – and a privilege to do so on behalf of the congregation.

The task remains the same – though the part about “finding” will be a new experience for many of us! While the Personnel Committee isn't the group that will find and call a new pastor, we are here to support the search committee as they do their work. We are also very cognizant of the need to support all of the staff in this time of transition.

The basis of our annual report has been the same for many years. We are fortunate to have the many gifted people on our staff who work well together. Our programs – from our music programs to programs for children – are the admiration of many. Our outreach ministry to support members is effective and meaningful. Our building is clean and in great repair. Our financial books are in good order and communications effective. How blessed we are.

Many years ago the Personnel Committee made a commitment to make sure our compensation for all staff was fair and just. We have consistently advocated on behalf of the staff that they receive regular and fair raises (and we didn't balance the budget on the backs of our staff). We implemented a “social security offset” to address the inequity in the IRS tax code against self-employed people (pastors are considered self-employed). This commitment has been good for our staff and has enabled us to retain many great people. This commitment – and the fact we are providing good and competitive compensation to our staff – will serve us well through this search process.

This is a healthy congregation with a strong lay presence and involvement. Our staff work with and among us to give our efforts direction and provide support. Our pastors are paid well and treated with great respect.

This will be a very attractive congregation and position for any number of gifted pastors. We have been blessed by Ralph and Carol's leadership, and look forward to building on the strong foundation and great reputation they have helped us build – together.

With Great Respect and Appreciation for All of our Staff,

Lurton Blassingame
Cyndi DeVoe
Cheryl Hentz
Dennis Kavanaugh
Jeff Puhlmann-Becker