

HBC General Fund May 2020 Dashboard

May General Fund Giving	\$1,355,092
Planned General Fund Giving	\$1,282,503
Variance from Plan	\$72,589

YTD General Fund Giving	\$5,530,134
YTD Planned General Fund Giving	\$6,016,172
Variance from Plan	(\$486,038)

May General Fund Expense	\$1,371,272
May Budgeted Expense	\$1,515,647
Variance from Plan	\$144,375

YTD General Fund Expense	\$7,004,403
YTD Budgeted Expense	\$7,468,350
Variance From Budget	\$463,947

Mortgage Reserve Fund Balance	\$754,703
2020 Budget Allocation	\$432,465
May Total Cash Reserves	\$1,187,168

Current Mortgage Balance	\$36,170,890
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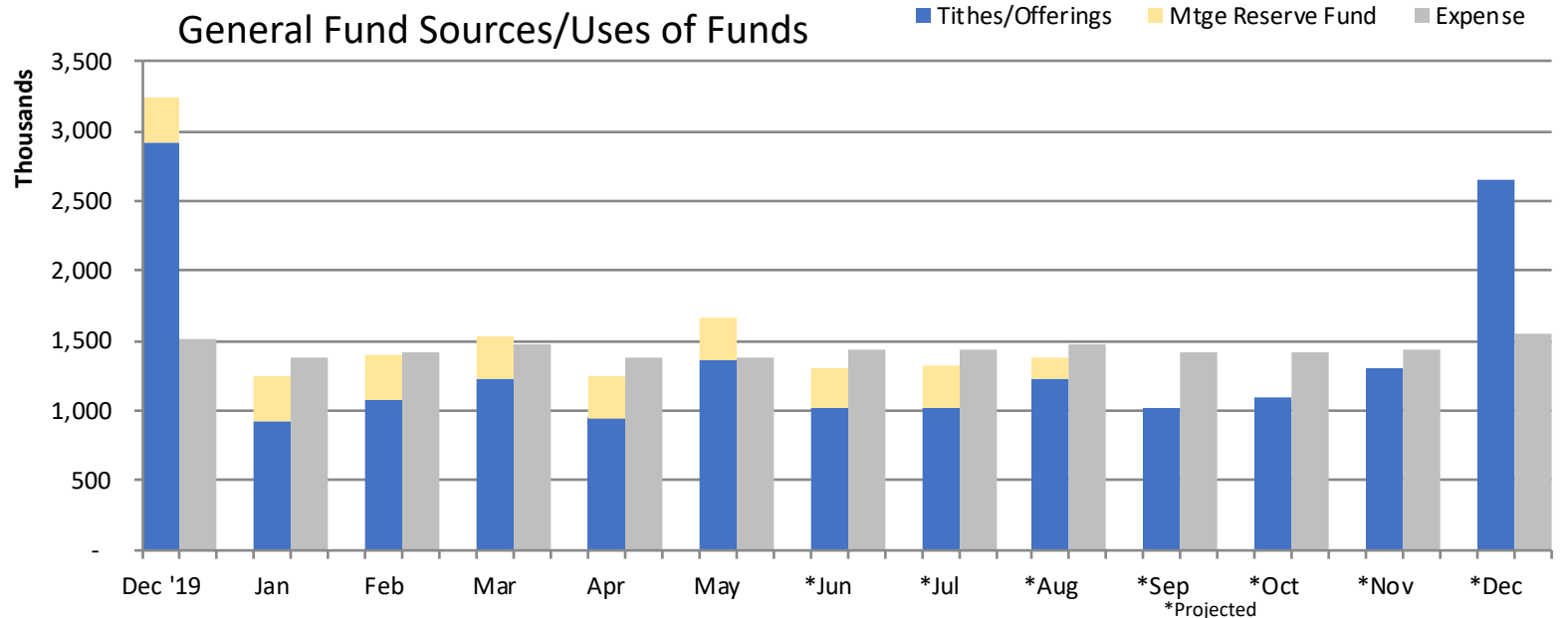
Summary

On the left are several data points regarding May giving and expense and year-to-date (YTD) giving and expense. The giving projections are based on historical giving trends over the past 5 years. With the switch to online-only church services starting March 14, we saw a significant reduction in giving, missing our March giving projection by more than 16% and April by 21%. However, the Lord continues to provide for His Church through the generosity of His people; in May, we exceeded our giving projection by 6%. YTD, we are now short of our giving projection by approximately 8%. Another encouraging point is that many people have switched to online giving, allowing them to more consistently continue with regular giving, even as we are not meeting face-to-face. Thank you for the gifts that you give out of obedience (Proverbs 3:9) to the Lord and with a cheerful heart (1 Cor. 9: 7)!

The orange and gray boxes highlight general fund spending for the Church for the month of May and YTD through May, respectively. You can see that in May, like April, we significantly reduced our actual expenses compared to budget. This is largely due to the reality that we were unable to have in-person ministry during all of April and May.

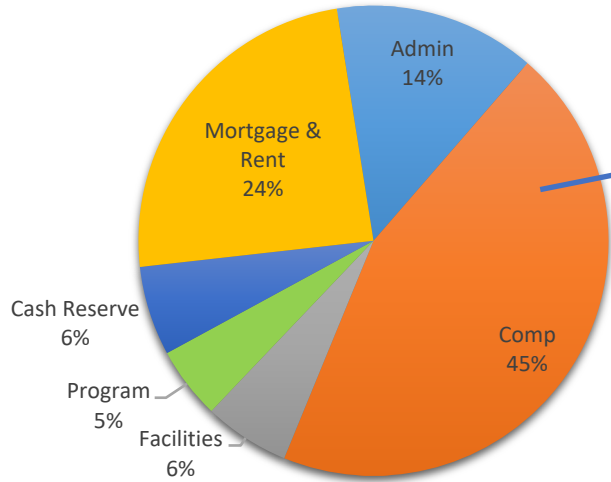
Our current reserves are represented in the yellow box. The mortgage reserve fund is designated by our lender to be used for our monthly mortgage payments. The 2020 budget allocation is the monthly amount that is allocated towards cash reserves from our general fund budget and is a emergency reserve fund.

The yellow stack below represents usage of the mortgage reserve fund to pay for monthly mortgage obligations. As a reminder, December giving historically provides the financial resources we need to carry us financially into the next ministry year.

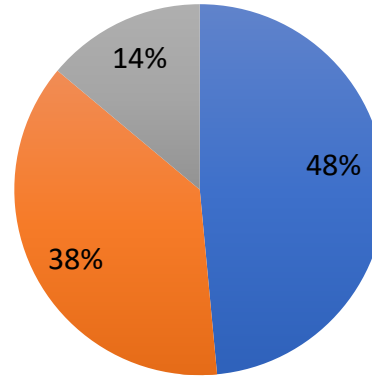


HBC May 2020 Dashboard – Allocation of General Fund Expenses

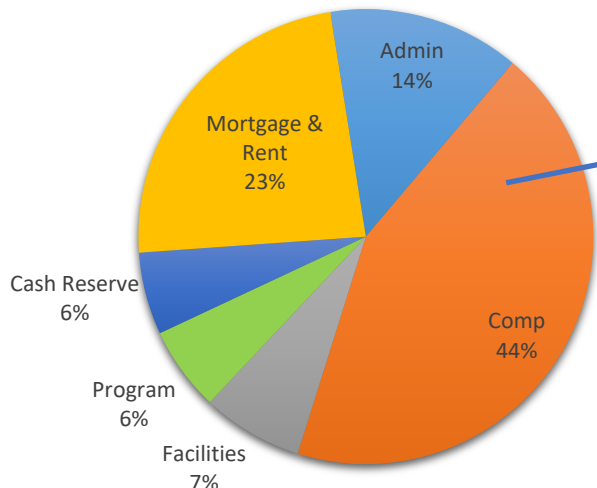
May Ministry Expense



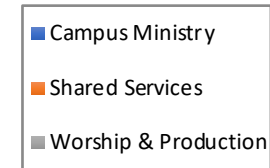
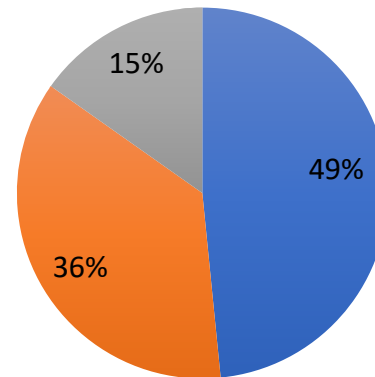
May Comp & Benefits



YTD Ministry Expense



YTD Comp & Benefits



Summary

The top two pie charts represent the allocation of May general fund expenses for the Church, while the bottom two pie charts represent the same expense data year-to-date (January-May).

The pie charts on the right are a further breakdown of compensation and benefits expenses. Numerous external benchmarking tools suggest that best practice is to keep compensation and benefits below 55% of total expenses, and to have debt payments that are below 15% of total expenses.

We are significantly above our target of Mortgage & Rent payments at 15% or less of our total budget, and we are actively pursuing various options to help us reduce these costs to bring them into the targeted range. Our current strategy is two-fold: (1) Reduce our long-term property obligations substantially, and (2) refinance any remaining debt at more competitive interest rates.

In April and May, as we were unable to utilize our facilities at their full capacity, most of the variable expenses such as Program and Facilities were significantly reduced. However, expenses such as Compensation and Mortgage/Rent are fixed and therefore, were not reduced, which is why those two expense categories have a bigger piece of the May expense pie chart compared to the year-to-date chart.

We will miss some of our normal summer ministry activities, but eagerly anticipate how the Lord will work through various new opportunities this summer. Please continue to pray for protection for the Lord's Church, and for Him to be glorified in all that we bring to Him: Time, Talent, Treasure, and Testimony.