

Going Beyond the Numbers

Rev. Paul Clark

CHURCH EXECUTIVE'S
PASTOR POWER WORKSHOP

Going Beyond the Numbers

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graph TD; A[Beyond the Basics] --> B[Beyond the Boardroom]; A --> C[Beyond the Data]; B <--> C
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CHURCH EXECUTIVE'S
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Beyond the Basics

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graph TD; A[Information] --> B[Inspiration]; A --> C[Involvement]; B <--> C
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Information


- Language of business
- Measurement
- Planning
- Assessment
- Fulfill Fiduciary Responsibility

Beyond the Basics

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Involvement

- Involve staff, constituents, leaders, and auditors
- Organizational Control
- Decision making



Beyond the Basics

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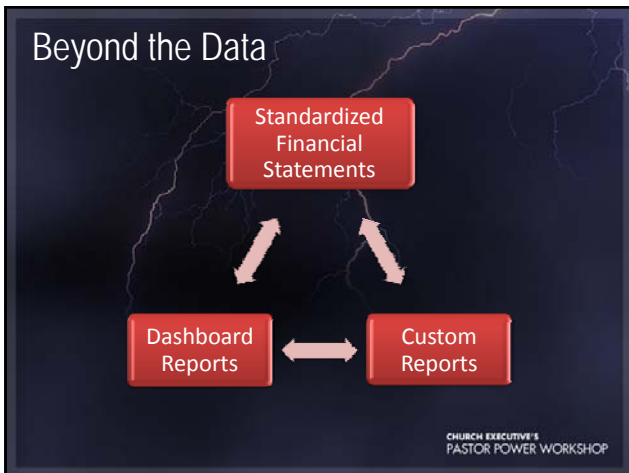
Inspiration

- Opportunity to celebrate God's provision
- Opportunity to tell your story
- Opportunity to rally your staff
- Opportunity to inspire greater generosity



Beyond the Basics

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Statement of Financial Position

- Financial position at a "point in time"
- Assets, liabilities, net assets, or fund balance
- Index vs Year Ago to identify trends

001 FAITHFUL CHURCH		001 FAITHFUL CHURCH	
Period Year Beginning 1/1/2008		Period Year Beginning 1/1/2008	
Balance Sheet for Period 4 - April		Balance Sheet for Period 4 - April	
001 OPERATING FUND		001 OPERATING FUND	
	Current	Beginning	Difference
	Year	Balance	Change
A S S E T S			
CURRENT ASSETS			
Check Bank - Faith Plan Acct	502,210.79	422,091.83	179,207.16
MS - Income Tax	41,122.05	97,552.86	(56,389.81)
MS - Financial Institution	40,028.71	40,028.58	191.84
MS - Reserve Acct	25,582.52	24,448.18	1,134.34
TOTAL - CURRENT ASSETS	609,944.07	584,121.35	125,822.72
FIXED ASSETS			
Land	6,228,474.05	5,968,744.83	219,729.82
TOTAL - FIXED ASSETS	6,228,474.05	5,968,744.83	219,729.82
TOTAL A S S E T S	6,838,418.12	6,552,866.18	285,551.94
L I A B I L I T I E S			

Beyond the Data

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Statement of Financial Position

Balance Sheet Questions:

1. What is our short term liabilities coverage ratio (quick ratio)?
2. What is our current ratio?
3. What is our Net Temporarily Restricted Assets ratio?



Beyond the Data

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Statement of Activities

- Summarizes revenue and expenses
- Include Index vs. Year Ago

	Annual Budget	Budget for Period	Actual for Period	Budget YTD	Actual YTD	Actual YTD Last Year
UNRESTRICTED/RESTRICTED						
INCOME						
00041000 Receipts - Operating	3,162,500.00	282,300.00	271,056.79	5,016,200.00	994,621.71	962,420.25
00042200 Interest Income - Re	.00	.00	7.55	.00	15.64	54.70
00042200 Interest Income - Int	.00	.00	.00	.00	499.64	439.29
00044000 Concert Series	.00	.00	.00	.00	.00	.00
00045001 Christmas Concert	.00	.00	.00	.00	.00	.00
00045002 Easter Concert	.00	.00	30.00	.00	30.00	.00
00046000 Local Outreach Event	.00	.00	.00	.00	.00	3,100.00
00047000 Contract Labor	.00	.00	.00	.00	.00	.00
00047100 Gift Missions Income	.00	.00	405.50	.00	1,061.00	3,197.00
00047150 Gain on Sale of Five	.00	.00	.00	.00	.00	500.00
00047500 Gain on Stock/Cash	.00	.00	.00	.00	.00	621.40
00047500 Miscellaneous Income	.00	.00	.00	.00	.00	.00
TOTAL - INCOME	3,162,500.00	282,300.00	271,499.84	5,016,200.00	996,822.57	969,921.44
EXPENSES						
WORSHIP						
00051100 Concert Series	5,000.00	416.67	68.00	5,666.64	408.00	400.00
00051120 Christmas Season	40,000.00	.00	1,176.59	7,000.00	5,999.07	7,860.44
00051130 Passion Season	20,000.00	13,000.00	14,248.49	58,000.00	20,992.49	10,945.61

Beyond the Data

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Statement of Activities

Income/Expense Questions:

1. Is the increase (or decrease) from a year ago expected or unexpected?
2. Did changes in revenue and expenses behave as expected?
3. Can we do a better job next year or next quarter predicting and managing resources?
4. What if revenues did not cover expenses- an unsustainable position over time


Beyond the Data

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Statement of Activities

Income/Expense Questions:

5. Are we operating at a surplus or deficit?
6. How does our budget compare to actual for revenue and expenses?
7. What are some important functional expense ratios?



Beyond the Data

CHURCH EXECUTIVE'S
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Statement of Cash Flows

- Cash flow from operations
- Cash flow from investing activities
- Cash flow from financing activities

	2003	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (72,608)	\$ (199,551)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:		
(Gain) Loss on Disposal of Equipment	(970)	8,122
Depreciation and Amortization Expense	304,802	273,373
Forgiveness of Note Receivable Payment	8,000	-
Non-Cash Contribution of Stock	(12,538)	(15,559)
Unrealized/Realized (Gain) Loss on Investments	(384)	19,589
Increase (Decrease) in Operating Assets:		
Other Assets	48,897	(50,148)
Increase (Decrease) in Operating Liabilities	22,964	23,586
Net Cash Provided by Operating Activities	298,163	52,214
CASH FLOWS FROM INVESTING ACTIVITIES		
Contract Payable on Purchase of Property and Equipment	-	81,211
Purchase of Property and Equipment	(236,110)	(342,692)
Proceeds from Sale of Property and Equipment	500	-
Proceeds from Sale of Donated Investments	15,559	12,143
Borrowing on Note Receivable	(40,000)	-
Net Cash Used by Investing Activities	(260,051)	(249,338)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	-	73,000
Payments on Line of Credit	(73,000)	-


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Beyond the Data

Statement of Cash Flows

Cash Flow Questions:

1. Will we have the necessary cash to sustain short-term operations?
2. Do we have cash reserves?
3. Will we need short-term borrowing?



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Beyond the Data

Customized Reports

- Modified Balance Sheet
- Sources and Uses of Funds

FAIRHAVEN CHURCH
Sources & Uses of Funds

		Dec-06		
Income				
MCF	\$487,455.91			
Temp. Rest.	\$60,263.28			
Current Liabilities	\$43,597.58			
ASSETS				
CURRENT ASSE				
Cash	\$288,278.62	\$202,741.10		
Misc. Current A	\$25,105.18			
TOTAL - CURRE				\$655,523.07
FIXED ASSETS				
TOTAL - FIXED				
TOTAL - ASSE				
LIABILITY				
CURRENT LIAB				
TOTAL - CURRE				\$10,311.81

This Month

Report of the Financial Secretary

Apr-07
Contribution Statement

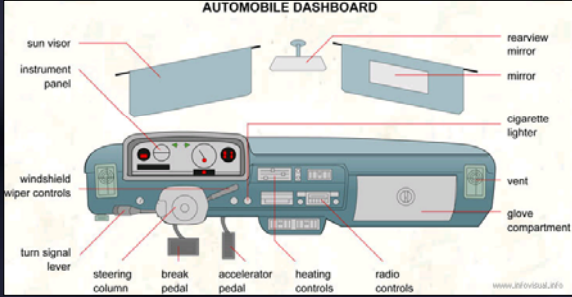
	Apr-07	YTD	YTD Average After 17 Wks.	Previous YTD	Prev. YTD Avg. After 18 Wks.
Unrestricted Gifts	\$ 3,307,407.06	\$ 1,974,021.05	\$ 63,177.74	\$ 956,827.97	\$ 55,378.03
Temp. Restored/ In & Out	\$ 41,930.07	\$ 109,456.74	\$ 5,370.35	\$ 286,051.68	\$ 15,000.08
Total of All Funds	\$ 3,429,342.52	\$ 2,083,518.39	\$ 73,146.14	\$ 1,242,879.65	\$ 70,378.11

Dec-06

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Beyond the Data

Dashboard Reports



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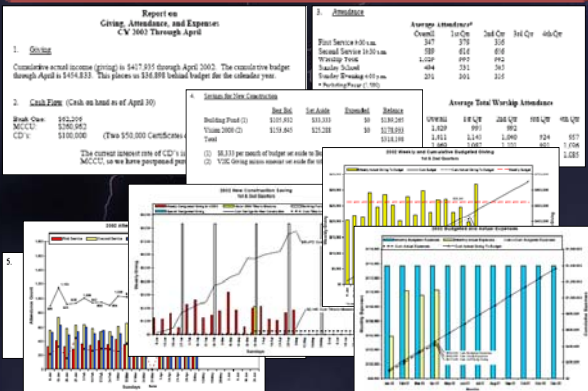
Communicating Dashboard Reports



Key indicators visible
 Consistent formatting
 Trends and changes identifiable
 Driven by measured outcomes
 Supports strategic alignment
 Focus on what matters most
 Board responsibility and focus
 Effective meetings
 Informed decisions

CHURCH EXECUTIVE'S
 PASTOR POWER WORKSHOP

Dashboard Reports



Report on Giving, Attendance, and Expenses
 C.Y. 2002 Through April

1. **Giving**

Category	Actual	Budget	Variance
Constituent	\$12,250	\$100,000	(\$87,750)
CDP	\$100,000	\$100,000	\$0

2. **Cash Flow** (Cash on hand as of April 30)

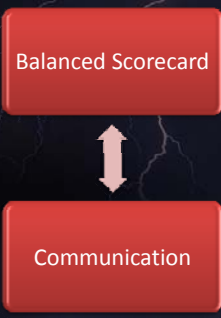
Item	Balance
Cash	\$12,250
Accounts Receivable	\$100,000
Accounts Payable	(\$87,750)
Total	\$12,250

3. **Attendance**

Category	Actual	Budget	Variance
Worship	100	100	0
Small Group	100	100	0
Other	100	100	0

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Beyond the Boardroom



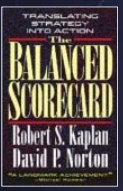
Balanced Scorecard

Communication

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Balanced Scorecard

The balanced scorecard is a management system (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the balanced scorecard transforms strategic planning from an academic exercise into the nerve center of an organization.



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Balanced Scorecard

I. Strategic Focus
Step 1. Refine and commit to strategy

II. Assessment
Step 2. Audit measures
Step 3. Develop new measures
Step 4. Apply new measures
Step 5. Analyze and report

III. Change Planning and Implementation
Step 6. Implement improvement plans

IV. Continuous Improvement
Step 7. Track metrics
Step 8. Continuous improvement; revisit scorecard; cascade

Sustainable Results

your mission
your major goals
your success

organizational alignment
track & manage strategy
identify key success factors
make adjustments

Balanced Scorecard

“You cannot judge the effectiveness of your church unless your mission is measurable... make it measurable.”

Rick Warren
The Purpose Driven Church

You inspect what you expect.

What are you measuring?

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Donors want to know...

- Is my money wisely invested?
- Are we accomplishing something?
- Is this church effective in the use of its' resources?
- Are we making a difference?

87% of donors give two key components for building loyalty and long-term giving:

1. Acknowledgement of their gift
2. Information about measurable outcomes

Tony Stremler, CEO Newdea

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Balanced Scorecard

Measuring the Health of

1. People are coming to saving faith in Jesus Christ.
2. Our International Ministries are expanding locally, nationally and globally.
3. People are making public professions of faith through baptism.
4. Attendance is increasing in worship services.

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Balanced Scorecard

Measuring the Health of 

5. The worship experience is vibrant, enthusiastic and intergenerational.
6. There is broad participation in serving throughout the ministries.
7. New ministries are beginning as God imparts vision.
8. Guests are being connected to church life.

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Balanced Scorecard

Measuring the Health of 

9. Covenant membership is increasing.
10. Our budgetary needs are being met.
11. Leaders are being developed and placed in ministry roles.
12. Scripture is central to our message.
13. Staff relationships are healthy.

CHURCH EXECUTIVE'S
PASTOR POWER WORKSHOP

Organizational & Ministry Effectiveness

Outcome	Target	Metric
Our International Ministries are expanding locally, nationally and globally.	Growing numbers of Fairhaven people participating in local and cross-cultural missions.	16 Short-term Missions Trips involving 225 Fairhaven people
Guests are being connected to church life.	Guests are connected in community, worship, equipping and serving.	Hired Director of Connecting Ministries; 200+ guests attended reception with follow up; quarterly connecting events involved 350 people


Organizational Alignment.
Value-added Activities.
Results-based Ministry.

Strategic Focus.
Resource Management.
Donor Communication.

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Balanced Scorecard

- What are the barriers to implementing an outcomes-based ministry?
- Where will resistance come from?
- What are the potential abuses?
- What must characterize the commitment of leadership for this to work?
- How could you implement this in your ministry?



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Communication to the Leadership...

- Monthly Reports
- Quarterly Reports
- Annual Reporting


Always lead with VISON...



CHURCH EXECUTIVE'S PASTOR POWER WORKSHOP

Communication to the Staff...

- Financial Updates – Intranet
- Workshops
- Leadership Reports
- Dashboard Celebration
- Strategic Evaluation



CHURCH EXECUTIVE'S PASTOR POWER WORKSHOP

Communication to the Congregation...

- Communicating to the Congregation
- Quarterly Statements & Management Letters
- Annual Reporting

Always lead with VISON...



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Communication

Shared Vision- Tying Finances to Vision

It's not about money, it's about...

- Purpose: Living the Journey, Sharing the Story
- Values: Discipleship, Outreach, Community...
- Transformation
- Putting God First
 - ✓ Preach it
 - ✓ Teach it
 - ✓ Share it
 - ✓ Celebrate it

CHURCH EXECUTIVE'S PASTOR POWER WORKSHOP

Communication

Preach it!

4-week series



4-week series



4-week series



6-week series

Communication



[View the 1 sermon with Faithcam BibleSoft!](#)

[What financial seminars or classes are offered to help me?](#)

[I need help "Making Sense Out of Money."](#)

[Creative Ways To Give](#)

I need help "Making Sense Out Of Money."

In February, 2004, David and Pete, our current and former Senior Pastors, respectively, began a series of messages entitled "Making Sense Out Of Money." We spent six weeks discovering the heart of God in the area of money and considering the cultural forces which tend to squeeze us toward an unbiblical lifestyle. This was not a series about giving. This was a series of talks about cultivating a wise and generous heart that reflects the character of God. Click on any one of the six links below to download a transcript of the sermons.

Why It's So Important to God

[The Spirit of the Tithe](#)

[Driving your Stake](#)

The Open Hands of God

[The Monster of More](#)

[Cultivating a Heart of Compassion](#)

Teach it!

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Communication

2006 STATISTICS

- 59 Baptized
- 44 New Members
- 17 Short-term Missions Trips involving 220 Faithful people
- 192 Dakations

2007 BUDGET SUMMARY





How One Woman's Journey to Truth Ended at a Faithaven Altar

"You can not believe in Jesus and be Jewish. Belief in Jesus is forbidden to our family."

From the new Ears Martin can remember, there were the words she heard from her parents and family members. As a young girl growing up in a Jewish home

Share it!

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Communication

Celebrate it!



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