



The Evangelical Covenant Church

Gather 2021

COVENANT ANNUAL CONNECTION



Fiscal Year 2020 Financial Review



Financial Reports at Gather

- Most recent final consolidated Audit
 - 12 month period ended January 31, 2020
- **Draft** of Covenant Pension Plan Audit
- Look Back – Review of Fiscal 2020 Results
- Look Forward – Proposed 2022 Mission Investment Budget



“Suppose one of you wants to build a tower. Won’t you first sit down and estimate the cost to see if you have enough money to complete it? For if you lay the foundation and are not able to finish it, everyone who sees it will ridicule you, saying, ‘This person began to build and wasn’t able to finish.’”

Luke 14: 28-30



Guiding Stewardship Principles

- Serve diverse ministry needs, while ensuring sustainability
- Increase unrestricted mission reserves (invest and protect)
- Promote stewardship across the entire ECC affiliate sphere
- Constantly enhance resourcing available to the local church
- Maximize % investment into Mission & Ministry



Fiscal Year 2020 Financial Results

A very challenging year for all of us



FY2020 Financial Summary

- FY2020 results better than pandemic-adjusted projections
- Undesignated giving was down slightly (-.7% vs. previous year)
- Total expenses equaled \$11,986,710 (-7.6% vs. previous year)
- Budget shortfall = \$1.71 million
- Received a \$1.78 million PPP Cares Act Loan



FY2020 Mission Investment

MISSION INVESTMENT	2020 Actual	2019 Proforma	Variance
Start and Strengthen Churches	\$ 2,270,557	\$ 2,618,786	-13.3%
Make and Deepen Disciples	571,709	748,548	-23.6%
Develop Leaders	474,658	535,356	-11.3%
Love Mercy Do Justice	407,787	410,121	-0.6%
Serve Globally	3,764,277	3,691,454	2.0%
Communications	736,328	814,407	-9.6%
Shared Services	2,698,830	2,650,174	1.8%
North Park University Support	666,667	666,667	0.0%
Other	395,897	842,675	-53.0%
	11,986,710	12,978,187	-7.6%



Components FY2020 Mission Investment

	Base Mission Core	External Appropriations	Base Mission Total
Start and Strengthen Churches	\$ 725,988	\$ 1,544,569	\$ 2,270,557
Make and Deepen Disciples	571,709	-	571,709
Develop Leaders	474,658	-	474,658
Love Mercy Do Justice	407,787	-	407,787
Serve Globally	732,060	3,032,218	3,764,277
Communications	736,328	-	736,328
Shared Services	2,698,830	-	2,698,830
North Park University Support	-	666,667	666,667
Other	395,897	-	395,897
	6,743,257	5,243,453	11,986,710



2020 Mission Provision

MISSION PROVISION	2020 Actual	2019 Proforma	Variance
ECC Church Support	\$ 5,089,477	\$ 5,250,119	-3.1%
Donor Support	948,879	828,384	14.5%
Affiliate Fees	2,782,788	2,741,636	1.5%
Living Legacy Funds Draw	594,581	789,550	-24.7%
Annual Bequests Draw	535,000	485,000	10.3%
Misc Income	12,443	32,373	-61.6%
Communication Sales	104,087	229,413	-54.6%
Rental Income	212,202	208,956	1.6%
	10,279,458	10,565,431	-2.7%
Mission Surplus (Deficit)	(1,707,252)	(2,412,757)	
Reserves Withdrawal	-	2,412,757	
Cares Act PPP Loan	1,775,890	-	



Fiscal 2020 – Other Metrics

- **Bethany Benefit Service Medical Increase (2020) = 5%**
 - Average BBS increase over past ten years = 3.4%
 - Two new service tiers
- **Retirement Plans**
 - Covenant Pension Plan – over 105% funded
 - Guidestone 403b9 – 172 churches enrolled; \$3.37 million in contributions in 2020



ECC 2019 Audit Observations

- For the fiscal year ended January 31, 2020
- Clean, unqualified opinion
- No required audit adjustments
- Unrestricted reserves remained steady
- FY2020 audit nearly completed and will be delivered to Gather 22, along with FY2021 audit



If we are to mission well, we must steward well.

Our goal is to ensure the long-term sustainability of the ECC's finances in its support our mission to "join God in God's mission to see more disciples, among more populations, in a more caring and just world."

