Questions and Answers
Bethesda Mennonite Church

The Church Council and Board of Deacons developed this document to provide transparent information about the church’s financial reports, management practices and ministry needs.

1. What is the Annual Ministry Spending Plan?

It is the budget for the church. We are intentionally choosing to use the words, “Annual Ministry Spending Plan” to help us remember that our finances serve the ministry of Jesus Christ through the work of the church at Bethesda. Therefore, when we discuss the financial health of the church, our conversations are shaped by ministry language. This means that our discerned ministry and vision determine our spending plan. We place our trust in God that through the generosity of others we will be able fund the ministry spending plan in order to meet the needs of those we are called to serve.

2. Were we short of the 2014 Annual Ministry Spending Plan?

The $32,776.65 General Operating Fund shortage, listed on page 44 and 45 of your financial reports in the annual meeting booklet, is accurate. Our receipts/donations were short of our actual expenses which were still below the approved budget (see below). This does not mean that we spent more than we had projected. While we were within the parameters approved by the congregation last February, we did not receive the donations we needed to cover the ministry expenses we had projected.

$598,000 Donations
$630,000 Expenses (Approved Budget: $634,000)

3. Why were we short of the 2014 Annual Ministry Spending Plan?

As a church, we are dependent on the generosity of others to provide the funding for the ministries of the local church. When we work on our annual ministry spending plan, we trust that God will provide through our faithful giving to the ministries that we have committed to serve. This past year, we ended the year $32,776.65 short of our expenses. The factors involved in this shortage include, but are not limited to:

1. Giving
Over the last three years, while our donations have covered our expenses, the donations have been short of meeting the approved goal in the annual ministry spending plan. This did not have a substantial impact in 2012 and 2013, as we did not spend the approved budget. In 2014, however, this shortage became significant when we needed to spend 99% of our annual
ministry spending plan to provide for the ministries needed by the congregation.

While we do not know from year to year what donations will be, we do know that even though the local economy has fluctuated in the last three years, the overall giving to local ministries has not changed (see Chart C on page 8).

We continue to prayerfully anticipate that our church members will continue to offer the church (local ministries and missions and service) their First Fruits Giving (at least 10% of overall income) for the work that God is doing through Christ’s body, the church.

2. Spending our Budget

While the overall giving of the congregation has not increased significantly in the last three years, we have spent a higher percentage of the approved ministry spending plan.

2012 – 92% of the budget was spent
2013 – 86% of the budget was spent
2014 – 99% of the budget was spent

With the increase in local ministry needs over the last three years, we have spent more to meet these growing community and congregational needs. Even with these growing ministries, we have continued to keep our spending within the parameters of the approved ministry spending plan.

In the future, we will see a growing need for facility maintenance as we have deferred projects for longer than advised and our facility continues to age. The needs for 2015 are represented in the annual ministry spending plan. If larger than expected facility needs arise, they will be communicated to the congregation and may require us to make additional appeals or to find long-term financing options.

3. Confusion

This past year we offered the congregation two reports in the bulletin to help people understand the congregation’s financial health. The first report was for our cash balance. This number was reported as positive throughout the year, meaning that we were able to operate without borrowing from an institution because we carried a balance over from the previous year (due to spending less than the projections in the 2013 annual ministry spending plan).
The second number reported in the bulletin represented the donations received, the total expenses and what the remaining need was for the year to fund the local ministries of Bethesda. This number reported the $32,776.65 shortage. By reporting both numbers, there may have been some confusion in the congregation about how much additional donations were needed to fund our ministries for 2014.

4. Are we living outside of our means?

This is a good question because we want to be good stewards of the money given to the church and we want to be sure that it is used well for God’s purposes in the body of Christ. It is important to begin by asking: How do we know that we are living within our means?

- Is it by not exceeding our annual ministry spending plan? Then yes, we are living within our means.

- Is it by making sure that a significant portion of our gifts are given to missions? Then yes, we are living within our means. On page 47 of our annual meeting booklet you will find that Bethesda is currently spending:

  26% of our budget on facility and facility services
  38% is spent on local ministries
  36% is given to missions and service

  (compared to 41% in 2013 and 39% in 2012)

While we have intentionally been increasing the local ministries portion of our funding with the increased need in our community, **we are still giving 36% of our budget to missions and service** (which doesn’t take into consideration gifts that our members give directly to charities). In other congregations, often 10% is given to missions and service while 90% is retained for congregational expenses. We celebrate the immense generosity of our congregation – praise God!

Moving forward, we need you as a congregation to actively participate in ongoing conversations about our finances and ministry expectations so that we can work together at setting realistic ministry expectations in proportion to the donations that the congregation is committed to giving.

5. Why was there a positive balance listed in the bulletin if we are $33,000 short?

In order to be good stewards of the ministry of Bethesda, the Church Council in 2014 established a financial management plan based on a similar plan adopted by the Indiana-Michigan Mennonite Conference, which states that we will hold a
balance of up to three months expenses in the general operating fund. This means Bethesda does not need to borrow and add interest payments into our budget in order to operate throughout the year.

After careful analysis of our cash flow patterns (see chart below), it was discovered that over 40% of our donations come in the last three months of the year. This means that January through September are our lean months and it is necessary that we begin the year with a balance that can carry us through nine months where our donations do not cover our expenses.

6. With our change in attendance over the years, should the number of our pastoral staff change?

The average attendance in 2014, as stated in the bulletin, was around 300 individuals. It is reasonable that this number could prompt the question about the number of pastoral staff needed, especially in this time of transition. However, when the Board of Deacons looked deeper into our membership list and discussed the current trends in churches across North America, a very different picture emerged.

**Average Attendance vs. Active Participants**

What we found was that our average attendance no longer completely represents the number of individuals that we serve as a congregation. **After reviewing the membership list, we discovered that we are serving an estimated 622 individuals** (see Chart B on page 6). So you may ask how our average attendance can be 300 when we are serving 622.

Church attendance patterns have changed across North America over the last 35 years. Today, those who would consider themselves connected to a church may only attend 25-75% of the time (one to three times a month). It is rare today that
people will attend church every week of the year. So if we take our active participants of 622 and figure that they only attend half of the year (or two weeks out of the month), then our average attendance would be around 300, which reflects our statistics from 2014 (see Chart A).

**Chart A**

**Impact of Attendance Patterns on Weekly Average**

- 622 participants with 100% attendance in worship.
- 467 participants with 75% attendance (3 times per month).
- 311 participants with 50% attendance (2 times per month).

**Growing Ministry**

Bethesda’s ministries are growing rather than shrinking. The congregation of Bethesda is serving around 622 individuals throughout the year, but that does not reflect the additional ministries to those who do not attend worship but still anticipate services from Bethesda such as, pastoral care, hospital visitation, funerals, weddings, counseling and crisis care. This group includes an additional 384 individuals (represented by the green in Chart B on page 6).

In addition to this group of 1,000 individuals, there is also a growing ministry opportunity among our young adults (represented by the red in Chart B). Young adults today are getting married later in life and are less likely to become members of a local church than in the past. Therefore, as needs arise, these young adults often look to Bethesda for support.

Finally, there are local individuals not represented on the chart below. There is a growing population locally of people who do not have a church home and are looking for support services. Bethesda has an opportunity to provide outreaches locally to help serve those beyond our congregation. And we have heard the desire in our congregation during our recent congregational meetings to continue to seek
ways to serve these needs, which is why it is one the priorities for the congregation in 2015.

**Chart B**  
**Individuals Bethesda Mennonite Church is Serving**

<table>
<thead>
<tr>
<th>Individuals Served by Bethesda Mennonite Church</th>
<th>622</th>
<th>96</th>
<th>384</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young Adults</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Served by Congregation but not Active* in Worship</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Active participants in worship are defined as attending worship at least once a month.

**Staffing for a Ministry of 1,100+ Individuals**

Bethesda serves as a hub for over 1,100 individuals locally and around the world. This means that in order to support these ministry demands, staffing and volunteer help is essential. There is an increased need for congregational volunteer support to care for this large number of individuals. In addition, we need to be sure that we have sufficient staff. The guidelines used by Central Plains Mennonite Church and Mennonite Church USA to help determine pastoral staffing levels state that **one full-time pastor or equivalent (FTE) is justified for a congregation between 75-150 people. An additional one FTE is justified for every 100 people after that.** This means that Bethesda is currently under staffed. By this guideline, Bethesda can validate the need for at least three full-time pastors.

To reduce staff would require a significant change of expectations for pastoral services at Bethesda. We would need to look at narrowing our ministry focus and have increased lay ministers to serve the number of members requiring support services from the church.

7. **Should we have an increase in the 2015 ministry spending plan if we were short of covering our expenses in 2014?**

This past year, the Board of Deacons and Church Council worked on clarifying priorities for Bethesda for the next five years. These priorities and goals will help set our ministry spending plans moving forward. We believe that the budget that is
proposed for 2015 is what is needed to allow us to minister in the areas the
congregation has discerned are important. While there is a 2.67% increase over
2014 spending plan included in the 2015 ministry spending plan, we feel confident
in presenting it to the congregation. We ask that you as a congregation prayerfully
discern how we can fund these important ministries rather than having to cut
ministries from our budget. We are moving forward, trusting that God will provide
for us as we seek to follow Jesus Christ.

8. Are our local costs causing us to give less to missions?

Our giving to missions and service over the last three years has changed by less than
five percent. During 2012 and 2013 when the local economy was strong, we saw
increased giving to missions and service when the local church giving did not
increase significantly (see Chart C).

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Given to Missions and Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>36%</td>
</tr>
<tr>
<td>2013</td>
<td>41%</td>
</tr>
<tr>
<td>2012</td>
<td>39%</td>
</tr>
</tbody>
</table>

It is true that we have had an increase in need for local ministries because of the
changing demographics in the community of Henderson and the surrounding area.
Many think that giving to local church is just for lights and heating, but your gifts are
actually to support ministries for ongoing faith formation (Preschool, Bible school,
midweek, youth events), ministries for Sunday services (resources, guest speakers,
bulletins), and spiritual care (providing pastoral care). While there is an increased
need, we are still giving 36% of our income to other missions and service agencies
compared to a 10% missions and service budget in other congregations. Missions
and service still remains a top priority for Bethesda. International and national
missions, as well as local ministries of Bethesda, will continue to be a focal point for
our giving.

9. How does our overall giving in 2014 compare to previous years?

It is important to note that our overall giving has not changed significantly in the
last three years. In addition, from 2004 to 2014, giving to the local ministry did not
change dramatically. What has changed is the overall giving to missions and service.
In 2012 and 2013 when the local economy was strong, giving to the local church
stayed the same while mission agencies saw the increased giving (see Chart C on the
following page).
10. With the farm economy changing do we need to make adjustments to reflect that change?

The farm economy has changed significantly in the last three years going from over $7 a bushel corn to under $4 a bushel corn. The future projections do not predict a major upswing in the next year. While this has had a substantial impact on some financially in the congregation, we do not believe that this is cause for panic.

We were surprised when looking back at the giving trends from 2012 to 2014 that the giving pattern to the local ministry and special projects had not changed significantly, even though corn was at record highs in 2012 and dropped in 2014 (see Chart C).

We want to be proactive and have taken economic conditions into consideration in our ministry spending planning for this year. We have also taken into consideration that giving trends show that during hard times, giving often increases. While we do not know what the future holds, we know that we have a God who cares deeply for the people around us and is calling us to be:

“A community caring for all God’s people, being transformed by Christ’s love, serving others as a witness of God’s grace and peace.”
As we move forward in our call to ministry and we pursue the goals and priorities that the congregation has identified, it is necessary to explore options of how we accomplish these goals while being good stewards of the gifts that God has given us. **We invite you to seriously consider how you can participate in God’s mission through the church of Bethesda in the next year. We need your commitment to financial gifts and to volunteer time to help us meet the ministry needs of those around us.** For example, volunteering to do facility work (i.e. painting, cemetery maintenance, mowing, cleaning), visits to people in the congregation and community, faith formation support (i.e.: Weekday Christian Education Committee members, Bible school volunteers, Sunday school leadership) and community outreach.

Without your additional participation or financial gifts, one option moving forward may be to cut expenses. If we decide to cut expenses, we cannot cut programs or visitations without a significant adjustment in the congregational expectations of pastors, staff and services offered by the church.

We invite you to prayerfully consider how you may be involved during this next year.

**For clarification or additional questions please contact:**

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**Laura Steingard, Board of Deacons Vice Chair**  
**Penny Buller, Treasurer**  
**Andrea Wall, Administrative Pastor**