

Dear Members and Friends:

I hope that you are enjoying the summer, a return to gatherings with friends and family, and are attending First Community activities. Below is a brief update on our financial and operational performance. You can access our financial dashboard and other Governing Board documents by clicking [here](#).

Through June, we continue to perform well. A few highlights for you:

- We are grateful for all who have prepaid their pledge or are staying current. Through June, our pledge revenue is \$187k above budget. We think this is a timing variance and expect pledges to track closer to budget as we go into year-end.
- Fee-supported revenue is also above budget, primarily as a result of Mary Evans Child Development and the Early Childhood programs receiving state assistance for COVID-related expenses. Tuition revenue from both programs, as well as Akita camper fees, are above budget for the year.
- Gifts and other support consist of several grants and bequests. The First Community Foundation has provided \$330k of grants to the Church in 2021 thus far. These grants have provided Camp Akita with a tent, several vehicles, and reimbursed pandemic-related expenses necessary to operate safely. Grants have also allowed new painting, flooring, and carpeting on the second floor of South, the new wall in the Weist Room, a piano for South, and the replacement of HVAC units.
- Our expenses are running close to budget. There are some budget overages in Akita, but most of these are the frontloading of expenses in preparation for summer camp. We have incurred a string of emergency repairs to HVAC systems, roof leaks, and major renovation of the North cooler, which have also caused some variances in facility costs. The staff continues to do a good job of controlling their spending, which is challenging as we begin more in-person programming and meetings.
- Our cash position remains very good, although we expect it to decline as we go through summer. Historically, September is when our cash position will be at the lowest.
- Our debt related to the new construction remains unchanged at \$5.7m. The collection of the remaining pledges should reduce this to below \$4.5m, and a committee has been formed to look at how to eliminate the debt.

We utilize a forecast that is reviewed monthly with the Finance Committee. We believe our assumptions are conservative and reflect that we should be able to achieve our 2021 budgeted operating results. We also will have some necessary capital expenditures this fall, such as replacing the Grace Hall HVAC and improvements to the security of the Early Childhood space. Funding for these has not been identified.

Paul Anderson, our Executive Director of Operations, has taken on other reviews with the oversight of the Finance Committee. A third party has looked at our insurance coverages, and we have implemented banking tools to reduce external fraud. Currently in-process are changes to donor restricted accounting to align with best practices and ensure that donor intent is always followed. We also continue to assess any potential hacking threats to our IT systems.



We are pleased with the results so far in 2021, despite the handicaps of the pandemic. We are thankful for the generosity of our members. Please reach out to Paul Anderson ([Paul's email](#)) or me ([Jason's email](#)) if you have questions or concerns. You can also call the Church to reach us.

Sincerely,

Jason Mulligan, Treasurer