

Paradise Adventist Church

# 2020 Financial Report

to

**January 24, 2021 Church Business Meeting**

(presented by Kathy McFarland, Church Treasurer)

You will see as we progress through this morning's financial report that 2020 was a year of God's abundant blessings on Paradise Adventist Church!

## TOTAL INCOME:

- We received **\$4,016,297** which was down just \$200,000 from the previous year.
- Of that amount, **\$1,273,278 (or 31.7%)** went directly to the conference in the form of Tithe/Conference/World Offerings (basically 32¢ on every dollar we rec'd).
- Another **\$2,743,019 (68.3%)** stayed at PAC (or 68¢ on every dollar we rec'd).

## PAC INCOME DESIGNATIONS:

- **Of the \$2.7+ Million which stayed at PAC - - -**
  - 2% was designated as Estate monies;
  - 3.63% was designated for PAA & PAE;
  - 7% was designated for Disaster Recovery & Development;
  - Another 7% was received as other income to reimburse Camp Fire Insurance Reimbursements which had been paid out;
  - 20.82% was designated for PAC Ministries use;
  - 29% was designated for Sheds and Love Delivers;
  - 30% came in for other Offerings/Income (including the \$542,000 received from old PAA accounts)

## ACTIVE FAMILY DONOR STATISTICS FOR 2020:

- This year we have **115 Active Family Units** in our local Church Family which is an **increase of 8 families** over last year! Our church family is growing!
- Of the **\$921,077 Tithe dollars** returned by those family units - - -
  - 28.7% did not return Tithe or only paid Tithe on a yearly income of less than \$9,000 (probably a partial Tithe);
  - 6.96% returned Tithe indicating a yearly income of \$9,000 - \$25,000;
  - 36.52% returned Tithe indicating a yearly income of \$25,000 - \$75,000;
  - 27.83% returned Tithe indicating a yearly income of \$75,000 or more.
- Of the **\$482,287 in PAC Ministries Fund donations** received by active family units - - -
  - 33.04% gave under \$100 for the year;
  - 8.7% gave between \$100 and \$499;
  - 9.57 gave between \$500 and \$1,200;
  - 48.7% gave over \$1,200. (And in this category of budget donors, it wasn't just the family units with \$75,000 or more in annual income giving over this \$1,200 level. There were

many families with incomes well under that which sacrificially donated to our Operating Budget. And we wish to give those families our special heartfelt gratitude! It shows a special commitment and dedication to PAC's success!

- In addition to the support of our Operating Budget (the PAC Ministries Fund), our active local families made other donations - - -
  - **21** families gave to **Paradise Adventist Academy** with a median gift amount of \$719;
  - **8** families gave to our new elementary school on the Ridge – **Paradise Adventist Elementary** (commonly referred to as PAE) – with a median gift amount of \$943;
  - **27** families gave to the **PAC Worthy Student Fund** which supports both schools with a median gift of \$1,196;
  - **10** families gave to the **Sheds Project or Love Delivers** with a median gift amount of \$712;
  - **11** families gave to **Disaster Recovery & Development** with a median gift amount of \$551.
  
- **In total**, our 115 Active Family Units **gave \$1,561,975 in Tithe and other offerings to PAC accounts** in 2020!
  
- **Another \$2,453,805** came from other sources – Shut-in members; Non-local members; Attending Non-members; Camp Fire Relief donors from across the nation; grants and bequests.

Now let's turn our attention to Expenditures.

#### **PAC EXPENDITURES IN 2020:**

- During this last year PAC spent a total of \$1,751,753.
- **\$853,264 (or 48.7%)** of our total expenditures were spent on **Outreach** programs via
  - The Sheds Project
  - Love Delivers
  - Disaster Relief
  - Assistance to Camp Fire Victims
- **\$379,096 (21.6%)** was spent on supporting our **two schools** through Operating & Worthy Student Funds.
- **\$240,689 (13.7%)** was spent on **insurance payouts** to replace items or pay for Business Interruption & Extra Expenses.
- **\$216,287 (12.4%)** was spent on **general church activities** (from budget and trust accounts).
- **\$ 62,417 (3.6%)** was spent on other items (from church rental house appliance replacements, to the Paradise Campus Kitchen equipment/upgrades, to Tuan Bui's Vietnam ministry projects).

#### **SUCSESSES IN 2020!**

**A) We covered all our Operating Expenditures** (including support to both schools and Van Transportation costs which had no source of income). Here we have to thank you for your financial support and the fantastic response to our needs during the last two months of our fiscal year. We had a \$172,000 donations goal for the combined months of November & December. During those two months we received \$258,750, of which \$201,629 came in during the month of December alone! **Praise the Lord!!!**

**B) Our Operating Budget (PAC Ministries Fund) ended the year with an \$85,000+ GAIN!**

**C) We were able to fund two necessary pre-fire Depreciation Accounts – Parking Lot Repair; Well Pump.**

(Note: So as not to create an undue hardship on our smaller church family, the Finance Committee voted to suspend the funding of depreciation on new acquisitions purchased since the fire for a period of at least two years. It will be reconsidered at that time.)

**D) Our General Reserves increased by 99% during 2020 to a level of \$273,157.**

**E) All of our Reserves when combined increased by 328% to a level of \$697,411 (mostly due to the \$540,000+ received from the old PAA accounts now set aside in *Reserves for PAC Schools*).**

**ADDITIONAL ACCOUNT NOT ON OUR PAC BOOKS:**

As we look forward to the day when we can start rebuilding our facilities, we will want to know how much we have to put toward a building program from our insurance monies. Adventist Risk Management (ARM) has indicated our 2018 Camp Fire insurance **coverage totals \$13.977 Million.**

**Insurance Investment:**

- Of the \$13.977 Million in insurance coverages by ARM, **\$9.709 Million was initially released in 2019 to NCC for investment on behalf of PAC.**
- In **2019** that investment **gained \$692,704.**
- **From that 2019 gain**, the Church in Business Session **voted to hire a Business Manager.** And thus, we have been privileged to have **Mark Lockwood** join our staff.
- In 2020 as most of you know (and experienced in your own 401Ks!), first quarter investments received a disastrous blow. The rest of the year investments have been in recovery mode. We don't have confirmation, but it may appear that 2020's investment ended up with a gain of only \$253,000 – far short of the previous year!

**Expenses Paid Out of Insurance Investment:**

- **\$ 692,190**      **Debris Removal**
- **\$1,006,042**    **Property Expenses** (purchase of two houses and pay-off of our Solar Loan)
- **\$ 127,846**    **Office/Worship Space Rent plus Outdoor Worship Spc** (Under the Oaks)
- **\$ 89,367**     **Other Loss of Use Costs and Business Manager Expenses**
- **\$ 130,533**    **Audio/Visual Replacements**
- **\$ 131,666**    **Other Replacements** (from Office/Worship computers to Youth Surf Boards and everything in between!)
- **\$2,177,644**    You can see how quickly we've spent over \$2 Million of our insurance investment!

**Estimated December 31, 2020 Balance on Invested Insurance Monies:**

So, because we don't yet have confirmation on 2020's investment GAIN/(LOSS), we can only provide an estimate at this time - - -

Initial Investment.....	\$ 9,709,645
plus 2019 Investment GAIN .....	692,704
plus 2020 Investment GAIN (estimate) ..	<u>253,070</u>

**Sub-Total .....\$10,655,419**  
Less Expenses as of Dec 31 ..... \$ 2,177,643  
**Estimated Dec 31, 2020 Balance .....\$ 8,477,777**

*This figure will be changing in future months with further expenses deducted and future anticipated investment gains (hopefully!) added.*

plus ARM funds not yet released ..... \$ 4,267,707  
**Estimate Available for Rebuild as of Dec 31, 2020...\$12,745,484**

**YOUR 2020 CHARITABLE DONATIONS RECEIPTS:**

This year charitable receipts will be mailed to your home. Please check your mail in another week or so for them to arrive in a teal-colored bubble envelope. And again, we thank you from the bottom of our hearts for your financial support of PAC and all its ministries!