

California Southern Baptist Convention

2020 Proposed Budget

Executive Summary

This summary is offered to assist in understanding significant changes in the proposed 2020 budget which reflects a conservative approach regarding anticipated gifts through the Cooperative Program, as well as significant expenditure reductions.

The Cooperative Program

The Cooperative Program (CP) objective for 2020 is \$6.425 million; the objective for 2019 was \$6.6 million. The CP allocations for the 2020 budget reflect a change as illustrated:

	<u>2019</u>	<u>2020</u>
World Mission Causes – SBC	35%	30%
California Baptist University	2%	2%
Baptist Foundation of California	1%	1%
California Southern Baptist Convention	62%	67%

The most significant adjustment in the proposed 2020 budget is a change in the allocations of CP gifts. The allocation to SBC world missions has been reduced by 5 percent and reallocated to CSBC Executive Board ministries. This reallocation equals \$321,250; \$150,000 is required to address needs at Jenness Park Christian Camp in anticipation of continued shortfalls compared to anticipated operational expenses. An additional \$100,000 will address a growing need for California-funded church plants. The remaining \$71,250 will be allocated for ministry opportunities presented to the Convention and can be used as reserves to cover unexpected needs or deficits.

Jenness Park Christian Camp

Jenness Park has operated with significant expense overages as the chart illustrates (see “Operational Deficits”). Deficit spending at JP has primarily been covered with Convention reserves. With the exception of Jenness Park, the 2020 budget is a realistic, balanced budget. The reallocation of CP funds is needed to address the camp’s 2020 anticipated shortfall.

CSBC has no reserves available to meet deficit spending in 2020 by Jenness Park. Without the reallocation of Cooperative Program gifts camp operations will be in jeopardy.

Budget Adjustments

The 2020 budget reflects a number of expense reductions as well as increased costs associated with fulfilling Convention ministry.

Some expense reductions include:

- Personnel reductions - \$300,000
- Retirees benefits cuts - \$50,000
- Travel/Auto - \$55,000
- Applying GuideStone Asset Account to eligible expenses - \$100,000
- Renegotiated service contracts - \$45,000

Expense increases in the 2020 budget include:

- Blue Shield health plan + \$40,000
- Cost of living wage increase + \$50,000
- Depreciation + \$90,000.

The result of Fresno operations over the past several years produced annual operational deficits as high as \$1.176 million, which were met primarily with Convention reserves. Beginning in 2017 the amount of annual deficits began to decrease precipitously. In 2019 it is projected the annual deficit will drop to below \$230,000, just 24 percent of the deficit in 2016. The 2020 budget is realistic and is projected to be balanced, with no deficits anticipated.

Operational Deficits

Fresno	Year	Total	Jenness Park	Year	Total
	2013	-1,176,151		2013	-375,071
	2014	-1,078,972		2014	-384,869
	2015	-1,074,140		2015	-256,486
	2016	-980,654		2016	-14,820
	2017	-578,065		2017	-495,792
	2018	-463,891		2018	-228,170
Projected	2019	-230,000	Projected	2019	-230,000
Budget	2020	0	Budget	2020	0
Fresno Total		-5,581,873	Jenness Park Total		-1,985,208

Other Major Income Sources

North American Mission Board

The total commitment by NAMB for funding designated CSBC ministry activities for 2020 is \$1,550,000.

NAMB Funding for CSBC Ministry	2019	2020
Church Planting Funds	1,000,000	1,000,000
Church Planting Development	100,000	100,000
Existing Church Evangelism Strategies	300,000	300,000
Church Planting Evangelism Strategies	150,000	150,000
	<u>1,550,000</u>	<u>1,550,000</u>

California Mission Offering

The California Mission Offering is budgeted as approved by the Executive Board:

Offering Allocation By Strategic Ministries Committee

Church Planting	40.0%	200,000
Evangelism/Missions/ Disaster Relief	28.0%	140,000
Associations	10.0%	50,000
Revitalization	9.0%	45,000
Small Church	7.0%	35,000
Season of Prayer & Promotion	6.0%	30,000
	<u>100.0%</u>	<u>500,000</u>

Conclusions:

- The 2020 budget is realistic and balanced.
- Reduction in expenditures and anticipated expenses in the 2020 budget total about \$550,000. This includes the elimination of two elected staff positions.
- The change in Cooperative Program allocations is required to secure fiscal operational integrity at Jenness Park Christian Camp. Without this reallocation Jenness Park's operations are in jeopardy.
- The reallocation of CP gifts also addresses the need for significant financial support to a California-funded church planting initiative.
- During the past nine years Cooperative Program giving by California Southern Baptist churches has remained relatively flat, illustrating the need for California Southern Baptists to "Step Up" with missions giving.

California Southern Baptist Convention
2020 Executive Board Ministry Budget
Counting The Cost

	2020	%	2019		Increase (Decrease)
Cooperative Program	6,425,000	61%	6,600,000	62%	(175,000)
California Mission Offering	500,000	5%	435,000	4%	65,000
North American Mission Board	1,550,000	15%	1,550,000	15%	-
Events, Fees, Services	2,018,216	19%	2,026,255	19%	(8,039)
Net Assets Released From Restriction	71,560	1%	56,876	1%	14,684
Interest & Dividends	-	0%	-	0%	-
Total Income	10,564,776	100%	10,668,131	100%	(103,355)
Missions	2,120,250	20%	2,508,000	24%	(387,750)
Ministry	2,523,990	24%	2,181,607	20%	342,383
Personnel	4,161,922	39%	4,468,780	42%	(306,858)
Operations	1,081,781	10%	1,041,911	10%	39,870
Facilities	676,833	6%	467,833	4%	209,000
Total Expenses	10,564,776	100%	10,668,131	100%	(103,355)
Net Surplus (Deficit)	-	0%	-	0%	-

Cooperative Program Allocations

	Budget 2020	%	Budget 2019		Increase (Decrease)
Cooperative Program Offering	6,425,000	100%	6,600,000	100%	(175,000)
SBC, World Missions	1,927,500	30%	2,310,000	35%	(382,500)
California Baptist University	128,500	2%	132,000	2%	(3,500)
Baptist Foundation of California	64,250	1%	66,000	1%	(1,750)
Executive Board Ministry	4,304,750	67%	4,092,000	62%	212,750

** Cooperative Program gifts in excess of goal shall be administered at the discretion of the Executive Board.*

** The allocation of Cooperative Program gifts will be readdressed in the 2022 budget.*

California Southern Baptist Convention
2020 Executive Board Ministry Budget
 Count The Cost by CSBC Team

	<i>Fresno Resource Center</i>								Jenness Park	World Missions
	Fresno Resource Center	Church Planting	Church Revitalization	Small Church Initiatives	Evangelism & Missions	Church Compliance & Human Resources	Disaster Relief Ministry	General & Administrative		
Cooperative Program	6,275,000	309,276	349,804	172,321	547,730	124,208	64,450	2,586,961	150,000	2,120,250
California Mission Offering	500,000	200,000	45,000	35,000	140,000	-	-	80,000	-	-
North American Mission Board	1,550,000	1,100,000	-	-	450,000	-	-	-	-	-
Events, Fees, Services	150,545	-	-	-	-	-	-	150,545	1,867,671	-
Net Assets Released From Restriction	71,560	-	-	-	-	-	71,560	-	-	-
Interest & Dividends	-	-	-	-	-	-	-	-	-	-
Total Income	8,547,105	1,609,276	394,804	207,321	1,137,730	124,208	136,010	2,817,506	2,017,671	2,120,250
Missions	2,120,250	-	-	-	-	-	-	-	-	2,120,250
Ministry	2,448,440	1,402,230	55,600	36,650	586,800	500	5,500	361,160	75,550	-
Personnel	3,125,744	199,353	328,514	165,426	526,347	119,513	112,190	1,674,400	1,036,179	-
Operations	555,967	4,100	7,400	4,250	16,900	2,600	1,320	519,397	525,814	-
Facilities	296,704	3,593	3,290	995	7,683	1,595	17,000	262,548	380,129	-
Total Expenses	8,547,105	1,609,276	394,804	207,321	1,137,730	124,208	136,010	2,817,506	2,017,671	2,120,250
Net Surplus (Deficit)	-	-	-	-	-	-	-	-	-	-

California Southern Baptist Convention

2020 Executive Board Ministry Budget

Teams Combined into General & Administrative category for Reporting

	<i>General & Administrative Teams</i>						
	Executive Offices	Strategic Giving Team	Communications Team	Business Services Team	Executive Board	Convention & Annual Meeting	CSBC Insurance Services, LLC
Cooperative Program	582,399	358,874	376,673	1,022,375	186,850	59,790	-
California Mission Offering	50,000	-	30,000	-	-	-	-
North American Mission Board	-	-	-	-	-	-	-
Events, Fees, Services	-	-	38,000	74,985	-	4,600	32,960
Net Assets Released From Restriction	-	-	-	-	-	-	-
Interest & Dividends	-	-	-	-	-	-	-
Total Income	632,399	358,874	444,673	1,097,360	186,850	64,390	32,960
Missions	-	-	-	-	-	-	-
Ministry	121,250	151,000	-	-	45,800	22,750	20,360
Personnel	481,779	195,149	257,860	602,112	137,500	-	-
Operations	26,350	12,130	131,120	318,107	3,550	15,540	12,600
Facilities	3,020	595	69,793	167,640	-	21,500	-
Total Expenses	632,399	358,874	458,773	1,087,860	186,850	59,790	32,960
Net Surplus (Deficit)	-	(0)	(14,100)	9,500	-	4,600	-