

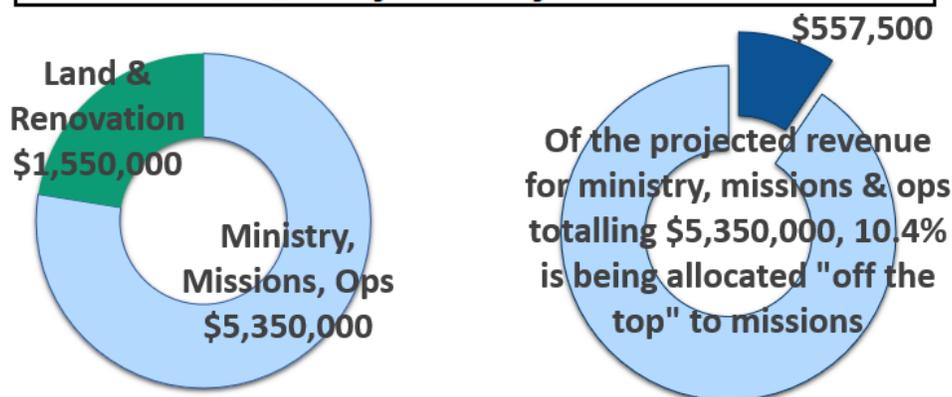
Harbor Churches

Budget Information and Financial FAQs

Proposed Total Budget for Harbor Churches

FY 2018-2019

Harbor Churches	budget for fiscal year
\$ 6,900,000	



How does Missions Funding fit into the budget?

The Missions Funding is built out of a shared goal for local and global missions. We share One Mission with several missionaries, partnerships, and projects. Our goal has been to reach and eventually exceed 10% of all our revenue to be given to missions including local partners, national and international causes. This fiscal year, our total projected revenue for Harbor Churches ministries, missions and operations (excludes revenue allocated to the Jamestown Harbor land purchase and the South Harbor renovation) is \$5,350,000. Of that revenue, \$557,500 will be given to missions. This is an equivalent of 10.4% of revenue, exceeding our original goal of 10%.

Why is the overall budget for Harbor Churches so much higher than last year?

During Uncharted, South Harbor and Jamestown Harbor both did a major generosity initiative for a total renovation of South Harbor Church and for Jamestown to move forward with the purchase of land for a future church location.

What does Harbor Churches have for reserve, emergency, and designated funds?

Harbor Churches has three different kinds of reserve funds: Donor Designated Funds, Management Designated Funds, and Undesignated Cash. Donor Designated Funds are those which are given or designated for an express purpose that cannot be changed without Board approval. Three examples would be Mission Funds, Debt Retirement Funds, Building Funds, and Benevolence Funds. Management Designated Funds are those that are used for ministry purposes by staff. Three examples would be Scholarship Funds, Capital Expenditure Funds, and Funds from alternative income like conferences. Undesignated Cash refers to financial reserves in excess of these other reserves. This amount fluctuates throughout the year based on seasonal income and expenses. However, the Board has developed Guiding Principles and a Financial Emergency plan so that reserve funds remain at high enough levels to manage budget in an emergency prior to making emergency adjustments. Reserve Funds have grown steadily over the past three years, providing greater stability and safety to Harbor Churches and are in alignment with comparative national standards.

How are standards and financial accountability determined?

Over the past couple of years, Harbor Churches has worked with several outside organizations to maintain financial integrity, stewardship, and appropriate standards and balance of funds. We seek to maintain a healthy dashboard as determined in relation to similar size churches with similar ministries, which is accomplished through regular financial reviews and health standards are done with Capin Crouse and personnel salaries are determined through local and national standards using five (5) different comparative analyses. As a result of this work this year we are doing a complete overhaul of our financial system to provide greater accountability, more detailed reporting, and more efficient and standardized accounting practices.