

2023 Hope Lutheran Nanaimo AGM  
Treasurer's Report

Summary

Here we are starting another year and reflecting on the changes we have made in 2022 as we have commenced in-person/zoom hybrid services.

This has been a very full year for our faith community. We have welcomed many more community and 12 Step Groups to use our worship area in continuing their important work of supporting the recovery journey of their participants. We have completed several more improvements to our building, installed new flooring, purchasing new HEPA filter units to help clean the air we breathe in our worship area and we have made a significant investment in audio/visual equipment to enable us to worship together in our sanctuary and from home on zoom with full participation from our in-home participants.

Our building improvements involving our new flooring has completed 3 years of significant improvement projects, starting in 2020 with a new roof, continuing in 2021 with new paint, and new soffits and gutters, and continuing in 2022 with new flooring. These significant investments have taken place over a time when we were severely restricted in our worship options by the ongoing COVID Pandemic.

It is a tribute to all of you, the Members of our Hope Lutheran Faith Community that you have made the choice to push ahead with these significant projects in the face of the pandemic.

NEW FLOORING

This past Spring, we had new carpet installed in our upstairs and stairways at a cost of nearly \$23,000. This has been paid from funds we had built up in our general account, AND this is an extraordinary expenditure that has challenged us to pay for this from our regular giving.

HEPA FILTERS

The pandemic has challenged us to find ways to have needed personal contact and at the same time to stay safe. We have been able to enhance ventilation in our worship area with HEPA filters at a cost, so far, of less than \$1,000. This project will likely involve more investments in 2023, and we will be replacing HEPA filters for our current ventilation units.

HYBRID SERVICES

During 2022, as we opened our building for Worship Services we have begun to experience the benefits of these improvements. At the same time, 2022 has presented further challenges. The pandemic has continued and we have been challenged to balance public health concerns with our shared need and desire for community and personal contact.

Our response to these challenges has been met by our Pastor, Worship Assistants, Musicians and Technical Team, offering the choice of participation that ranges from personal attendance and participation at regular Worship in our Sanctuary, with all the opportunities for personal communion, reading of Scripture and Prayers, to full participation from home, on Zoom including opportunities for

communion and reading of Scripture and Prayers, as well as the opportunity to visit on Zoom during the “Narthex” time.

We have built this version of Hybrid Service with the help of an active Technical Team and with input from our Pastor and many members of our Faith Community. This has resulted in our own “Hope Lutheran” style of open, warm and welcoming Hybrid service that seems to be quite unique.

Your support and patience as we have, at times, stumbled through new technical challenges is so greatly appreciated by our Tech Team.

This transition to Hybrid Services is not cheap. We spent over \$7,400 on Hybrid equipment in 2022 and we expect there will be need for a further \$3,000 of expenditure in 2023. While this expenditure in 2022 exceeds the \$6,000 we had estimated in last year’s Budget, we do feel that this has been more than worthwhile considering how it has enhanced our ongoing worship experience and has enabled us to expand our outreach.

### OTHER CHALLENGES

In 2022 as we re-opened, we came out of over 2 years of severe public health restrictions. The time of restrictions meant less use of our building and fewer hours of janitor and secretarial time. During zoom services we did not have the expense of maintaining worship musicians and regular Sanctuary expenses. For several years we reaped the benefits of these lower expenses as our zoom services seemed to maintain our community,

In 2022 we experienced a significant increase in these categories of expenses. At the same time, while we maintained the previous level of general giving, during 2022 we did not experience the increase in general giving that we had anticipated in the 2022 budget. We fell short of the 2022 budget by a little over 6 percent.

As a result, excluding the cost of the Flooring, HEPA and Hybrid Worship projects (totalling over \$30,500) we had a modest \$3500 surplus of general income over operating expenses.

Taking into account the capital projects, we ended the year paying out just over \$27,000 more from our general account than we took in.

### 2023 BUDGET

While we have savings, we need to address this shortfall and we need to plan for increased expenses in our 2023 budget. Council is recommending a further 6 percent increase in our 2023 budget for general giving over the 2022 budget.

We now have live music each week. Council has recommended that we provide for paid musicians each week. This increases our worship costs by almost \$7,500 over last year’s allowance.

Our overall salaries and payroll expenses will increase modestly by a little over \$2,000.

Our general office expenses will increase by a further \$2,000

In summary our expenses will increase by \$11,000 for the year. These are generally modest increases with an emphasis on adjustment for our increased worship music budget.

### **CONCLUSION**

When we vote on the 2023 budget we do need to be aware that this anticipates a significant rise in general giving to maintain the our Faith Community.

Our little church has always stepped up in the past, that is a choice we make reflecting what is important in our shared faith journey.

All considered this has been a very full, challenging and very rich year full of shared experiences we all treasure. It is a privilege to serve such a vibrant congregation.

Gerry Owen  
Treasurer