



COMMUNITY CHAPEL FY 2025-26 MID-YEAR FINANCIAL REPORT



Date: October 31, 2025

EXECUTIVE SUMMARY

Dear Brothers and Sisters in Christ,

Greetings! We have come to the mid-point in our fiscal year and, as is our custom, we are providing you with a summary of your giving and God's faithfulness at this "halfway point" in the budget process. Like most of you, the Church Board and Finance Team review the church income and budget on a weekly and monthly basis. This gives you the opportunity to see where we stand through the newsletter, but at this time, we would like to provide a larger financial picture.

As a church, Community Chapel has endured many seasons, yet we have remained faithful and committed to our ultimate task of "sharing God's hope wherever we find ourselves". We continue to do that through our lives and the many ministries of Community Chapel, but also find ourselves in challenging times financially. We continue to be grateful for the sacrificial giving of our people, however, we continue to experience a shortfall of roughly \$2,500 per week. During our Annual Meeting in April, when this year's budget was presented, the Facility Discernment Team brought their second report, which highlighted additional unbudgeted facility repairs and escalating expenses which hamper our missional effectiveness. Although our Board and Staff do a great job of managing discretionary expenses, keeping them below budget, it is our fixed facility costs, increasing utility costs (up 4%), and declining income that are major factors in failing to reach our budgetary projections at this point in the year.

The Finance Team has completed an assessment of our financial performance at the midpoint of our fiscal year in preparation for this report.

At the mid-year point of our FY 25-26 fiscal year, the Finance Team can report that the fiscal status of Community Chapel remains in a challenging and fluctuating state due to increasing costs and lower than expected giving, but is currently being managed per plan. Due to increased costs and the less than anticipated income we continue to limit discretionary spending to offset the shortfall, but have seen God's provision in receiving funds from the Government Employee Retention Credit and unanticipated insurance reimbursement for roof expenses (which will be credited during the next 6-month period), as well as a yet to be received, anticipated donation from a generous church member in the amount of \$15,000 to set up a Kingdom Initiative Fund (see Figure 1: FY 25-26 Operational Budget Summary).

There is little more that we can do to reduce discretionary expenses. Therefore, the Facility Discernment team continues to prayerfully consider the future state and management of our facility. On September 24, 2025 The Church Board and Discernment Team met with Paul Bowen, Executive Director, Wesley Initiative for Missional Development, New England District Church of the Nazarene and are considering some of his suggestions for addressing the ongoing financial needs of the church. Please pray with the Church Board, Staff, and Discernment Team as we investigate these possibilities.

COMMUNITY CHAPEL FY 25-26 MID-YEAR FINANCIAL REPORT

In preparing for the FY 25-26 fiscal year, the Finance Team established an Operational Budget which took into consideration the Actual FY 24-25 Income. The FY25-26 budget remained the same with the exception of The Kingdom Initiative Fund which increased the budget by \$15,000, thus establishing a FY25-26 Budgeted Income of \$777,011.

Figure 1. FY2025-26 Operational Budget Summary

<u>Budgeted Income</u>		<u>Prior Year</u>
Giving (T&O, WM, BF)	\$ 598,000	[\$ 598,000]
NCLC	\$ 93,415	[\$ 93,415]
Designated Savings	\$ 70,596	[\$ 72,190]
Kingdom Initiative Fund	\$ 15,000	
Total Income	\$ 777,011	[\$ 763,605]

<u>Budgeted Expenses</u>		<u>Prior Year</u>
Staff	\$ 283,730	[\$ 303,468]
Facility	\$ 299,225	[\$ 287,456]
Denomination	\$ 85,281	[\$ 85,281]
Admin & Capital	\$ 34,325	[\$ 33,550]
Ministry & Missions	\$ 74,450	[\$ 53,850]
Total Expenses	\$ 777,011	[\$ 763,605]

- Giving (T&O, WM, BF) budgeted based on Prior Year (FY2024-25) giving rates
- Planning to *again* draw from designated savings set aside from previous years
- Kingdom Initiative Fund established and funded by anonymous congregant (PTL!)

- Budgeted Expenses increased \$13,406 (1.8%) over Prior Year (FY2024-25)
- Reduction in staff cost as well as Staff pay raises; Senior Pastor salary cut restored
- Facility expenses up \$11,769 (4%) due to Utilities, Clean Team, Lawn Care, B&Gs
- Ministry & Strategic Missions significantly increased \$20,600 (38%) (PTL!!)
- Any large, unexpected facility expenses will be paid from Savings (e.g. Roof, Drain)

Figure 1: FY 25-26 Operational Budget Summary

Figure 1 Shows the FY 25-26 Operational Budget Summary, which was established at the outset of this fiscal year. As you can see, we have significant funds being drawn

from Designated Savings to achieve this year's budget. Though we traditionally draw from designated funds each year for specific missional activities, both last year and, as was stated in the April, 2025, congregational meeting, this year it was necessary to help fund the base budget. This reminds us of the necessity for each of us to faithfully support our church's mission financially.

As a note, each Ministry Budget follows a specific budget process including a formal request and justification from the ministry lead, which is then approved by the Senior Pastor. Every effort is made to establish budgets for each ministry area which will effectively meet the mission of the associated ministry. Each expense area was reviewed and challenged by the Finance Team as we endeavored to reduce the costs to align with our budgeted income. More details are offered in the list below and in the Expense Overview section of this report.

FY25-26 INCOME OVERVIEW:

The FY25-26 anticipated total income was set at \$777,011 and consists of three (3) primary sources shown below. The majority of our funds come from weekly giving of Tithes and Offerings, income from NCLC, funds drawn from designated saving, and this year a donation for ministry initiatives..

- 1.) Giving: \$598,000 - This income component is the largest portion of our anticipated income and comes from the faithful giving of our congregation in the form of Tithes & Offerings (T&O), World Missions (WM) and Building Fund (BF) contributions. To meet this level of anticipated income, a budgeted weekly giving amount of \$11,500 was established.
- 2.) Income from NCLC: \$93,415 - This income comes from our Nashua Child Learning Center ministry and accounts for several allocated costs, both fixed and variable. These associated costs are invoiced and collected monthly (i.e. rate per square foot usage, % of utilities, snow removal, etc.).
- 3.) Designated Savings: \$70,596 - These funds are being leveraged from multiple pre-existing and designated savings accounts.
- 4.) Kingdom Initiative Fund: \$15,000 - These are anticipated funds with the specific purpose to fund ministry initiatives.

Figure 2 shows our performance at the mid-year mark for each income source to include leveraged savings. As you can see our total YTD income is at 43 % or \$342,560 versus our budget of \$777,011.

Income Source	Year to Date	Yr. Budget	% of Budget
T&O / WM / BF	255,404.57	598,000.00	42.7
DESIGNATED SAVINGS	3,900	70,596.00	5.5
THE KINGDOM INITIATIVE	0	15,000.00	0
NCLC	47,064.24	93,415.00	50.4
TOTAL	342,559.95	777,011.00	42.7

Figure 2: FY 25-26 YTD Income vs Budget

The largest income stream is shown in Figure 3 which depicts our actual weekly giving (Tithes & Offering, World Missions and Building Fund-in blue) versus our established \$11,500 target (in red), which we would expect to fluctuate week over week. As a note, only in 5 of the twenty six (26) weeks depicted have we met or exceeded our budgeted weekly amount of \$11,500. This is only 20% of the time or less than one time per month.

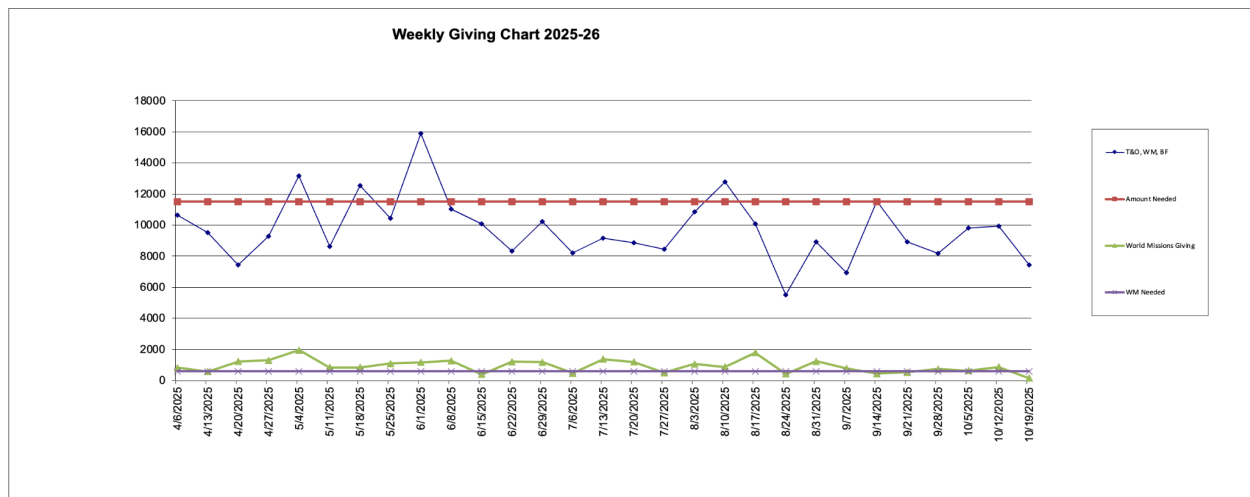


Figure 3: FY 25-26 Actual Weekly vs Budgeted Giving

The Income from NCLC is at 50 % at this point.

As you can see with Designated Savings, we are at 5.5 % of our total budget. We have only withdrawn \$3,900 from our general reserves, or \$31,398 less than the planned \$35,298 at the mid-year point. Praise God for His blessings and provision!

As shown in Figure 4, our Cumulative Total Giving (in blue) at the mid-year mark is approximately \$ 255,405 which is \$43,595 below our mid-year budget of 299,000 (in red). This is the largest factor in meeting our year-end budget.

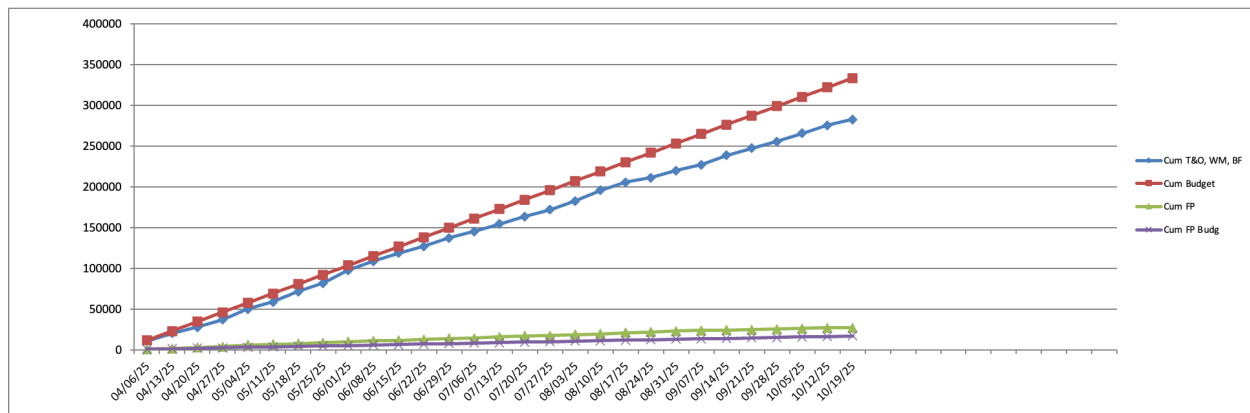


Figure 4: FY 25-26 Actual Cumulative vs Budgeted Giving

GOVERNMENT EMPLOYEE RETENTION CREDIT (ERC) REFUNDS

Community Chapel applied for the government's Employee Retention Credit (ERC) which is a refundable tax credit for eligible businesses and tax-exempt organizations that retained employees and were affected by the COVID-19 Pandemic. Our qualified submission was for a total of \$29,200.32 and we have currently received two (2) checks totalling \$18,868 and have received notification that the remaining refund will be credited to our Social Security Account (all refunds to be credited in the second half of the fiscal year). Funds not paid to Social Security, due to this credit, will be placed in the General Reserve Account.

INSURANCE REIMBURSEMENT FOR ROOF REPAIRS

We have received an unanticipated reimbursement from our insurance carrier, Brotherhood Mutual for the reconstruction project of the rear facing roof and overhang. The repair was completed in April, 2025 and initially we were informed that none of the work would be covered by insurance. However, our agent worked relentlessly to secure a reimbursement. This expense was shared with NCLC and therefore, Community Chapel's portion of the reimbursement will be \$15,909 (reimbursement applied to the second half of the year). These

funds will be deposited in our Facility Reserve Account. We continue to see God's goodness revealed!

FY 25-26 EXPENSE OVERVIEW

Referring to Figure 5, our estimated expenses were established to align with our total anticipated income of \$777,011. The Staff continues to do an exceptional job of managing expenses within our available funds. No discretionary expense is incurred unless there is available funding to support it.

At the mid-year mark, we would expect to see the “% of Budget “ column at approximately 50% or \$388,505.50. As you can see, we are at 47% or \$364,456 overall.

EXPENSES	Year to Date	Yr. Budget	% of Budget
PERSONNEL COSTS	145,500.41	283,730.00	51.3
FACILITY COSTS	135,282.48	299,225.00	45.2
DENOMINATIONAL ALLOCATIONS	47,864.19	85,281.00	56.1
MISSIONS FUNDING	3,360.52	16,900.00	19.9
CAPITAL EXPENSES	3,074.33	8,000.00	38.4
ADMINISTRATIVE COSTS	17,217.53	26,325.00	65.4
MINISTRY FUNDING	12,156.21	57,550.00	21.1
EXPENSE TOTAL	364,455.67	777,011.00	46.9

Figure 5 FY 25-26: Expense Overview

Throughout each year, several factors (both planned and unplanned) may impact the overall performance of any specific expense line versus its associated budget. Regardless of these impactors, we have been able to manage our overall expenses.

Below is a brief overview of some of the impactors driving our “% of Budget” numbers:

Impactors of Actual Mid-Year Performance

- Budgeted Expenses increased \$13,406 (1.8%) in FY25-26
- Facility Expenses increased \$11,769 (4%)
- Tithes & Offerings to date about 15% below budgeted amount

Conclusion

In conclusion, as we close out the first half of our FY 25-26 fiscal year, the Finance Team can report that Community Chapel continues to experience financial challenges. We remain in a fluctuating financial position, due to increased costs and less than anticipated giving. The Staff and Board will continue to monitor and manage expenses closely, however, we also caution that we traditionally incur higher facility costs moving into the winter months (i.e. heating, snow removal, etc). We continue to give praise and thanks to God for the ways that He has provided through the one-time ERC refunds and insurance reimbursements!

Throughout this season, we pray that God’s people will continue to remain faithful and committed to the mission of becoming fully devoted followers of Jesus, sent into the world to participate in His mission, wherever we find ourselves. Please join with the Facility Discernment Team in praying for God’s will to be revealed for Community Chapel and for the team and Board to prayerfully discern the path forward, remaining faithful and committed to our primary task of **“sharing God’s hope wherever we find ourselves”**.

Respectfully submitted and in His service,

Community Chapel Finance Team

Should you have any questions or comments, please feel free to contact the Finance Chair, Vickie Mello at Teammello@comcast.net

Finance Team

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