

## The FY 2026/27 Budget Proposal

### The Foundation: Our Current Financial Standing (as of 03.31.26)

- Esperanza has a very sound financial foundation as shown below:
  - Total church assets: \$2.271 million
  - Our only liabilities are a mortgage balance of \$271,000 and \$2,000 in credit card obligations.
  - That makes our net worth at \$1.998 million.
  - Most of that is in the church land and building, but we do have \$357,000 in cash (in checking and conservative investments).
  - When you subtract church and preschool designated funds from that cash number, we have a total of *\$228,000 of free cash*.

### The Proposed Budget for FY 2026/27

- The proposed budget for the upcoming fiscal year provides responding committees/teams with their requested amounts for the year. Key highlights are:
  - Total giving is set at \$345,000. That is \$8,000 lower than the current year (25/26) and \$19,000 less than the peak in 2024. Please note that total revenue is planned at \$372,000, which includes giving plus rental income.
  - Planned expenses add up to \$394,000, with the increase over last year (which was \$375,000) being driven by our employment of professional bookkeepers.
  - When you take planned revenues minus planned expenses, it leaves the budget with a \$22,000 deficit. While we don't like proposing a deficit, Esperanza's free cash is ten times the deficit amount.

### Why Are We Proposing a Planned \$22,000 Deficit Next Year?

- The professional bookkeepers were added with care and thought and with an eye towards the following objectives:
  - We need to modernize some of our approaches to bookkeeping...including areas where we are not experts, *but they are*. Over time, the bookkeepers are identifying areas where can benefit from process changes, improved accuracy, government compliance, and more.
  - Mark Entsminger and Joni Thorpe have been instrumental in handling our daily bookkeeping needs and monthly reporting for years. We owe them a big thanks for their dedication and work. While we have no idea when Mark and Joni will fully retire from their positions, when they do leave, the bookkeepers will provide us with a seamless transition. Without them, when Mark and Joni retire, our bookkeeping could be subject to serious errors if the individuals who replace them haven't already worked within our system for a good while.