

President's Report

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March 10th, 2011

We need to talk about money:

- regular operations
- the Kitchen and Lift Project

1 Regular Operations

In the fall of 2009, I raised concern that your donations did not measure up to our expenses. You responded, and we had a good year. But you didn't keep it up for 2010. We lost money on regular operations in 2010, not a lot, but enough to be concerned.

We need to make a small profit most years. Those small profits add up, not just for a rainy day, but to allow us to engage in projects: large projects like the hymnal, huge projects like the Kitchen Expansion, but also small projects like the Memorial Walk, which might not have happened if we first had had to run special fund raising events.

I have combed through our expenses and found nothing to cut unless we are willing to make radical changes like making do without an organist.

Therefore we have to do something about our income.

Income beyond our control

We cannot do anything about income like

- donations in memory
- ministerial services (weddings)
- sale of hymnals, cookbooks, etc

Fund raising

We can do something about

- fund raising events,

but I think we're exhausted on that front. I'm flabbergasted that we managed to initiate new fund raising meals on occasion of the Kitchen Expansion.

Income that we control

That leaves

- Fall Drive
- Sunday morning collection—principally envelope donations

1.1 Fall Drive

You may have read in our newsletter, Kirkebladet, that I picked through the list of Fall Drive donors and found that we lost a net of 45 Fall Drive donors in 2010. That is a *net* loss. We actually lost 122 donors and gained 77 new donors.

The turnover in Fall Drive donors is much greater than we assumed. Every year we lose between a third and half of our donors. Usually we gain a corresponding number of new donors, but in 2010 we didn't. See Figure 1.

We should not accept losing more than a third of our donors each year—even the years when we regain a similar number. Therefore the Board has sent a letter to each of the donors we lost in 2010 asking for their renewed support and inviting them to come to church and take advantage of some of the many things we have to offer. Hopefully we can get some of them back in the fold. Increasing our donor base by, say, fifteen or twenty each year would be pretty good. Gaining two or three new regulars Sunday morning would not be bad either.

The Board also needs to rethink the Fall Drive form. We used to think that everybody had seen the form before and knew what it is for. Not true! More than a third of our Fall Drive donors are new each year. We need to explain why the Fall Drive is important, what we spend the money on, and how we can be of service to the donor.

Fall Drive donors

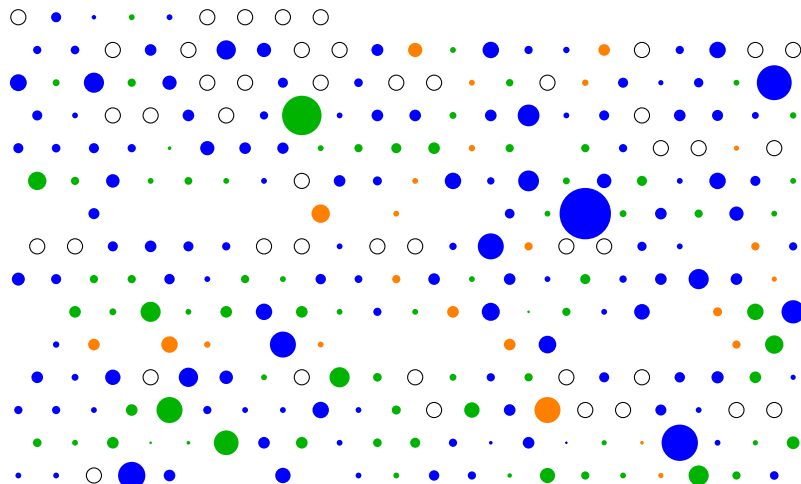


Figure 1: Fall Drive donors, 2010. Each circle is a donor, the size of the circle represents the size of the donation. Blue donors have been with us every year since 2008, orange donors since 2009, green donors are new in 2010, and the sadly empty circles are the donors we lost in 2010.

1.2 Regular Donations

Collection

Sunday morning you give

- Open collection: 4% of total revenue
- Envelope donations: 11% of total revenue

This has always seemed awfully small to me.

Lily says, that what you give should be between the donor and God. She is right, and I have always stayed away from that information. I didn't need to know. But seeing that our revenue does not keep up, I had no choice but to find out, on your behalf, who is not living up to their responsibility.

So I studied your donations, Fall Drive and Envelope, all the regular donations that have a name attached, to find out who gives how much. Here is what I found:

- We have among us people who are retired, not at all wealthy (as far

as I know), and yet each and every year give well over \$1000 to our church.

I think that calls for applause.

- We also have people who are regular in church, we see them every now and again, people who are involved, active, people who are employed and are (as far I know) making good money, and yet give \$75 a year.

Before you applauded; you know how respond to this.

Let me hasten to say, that we also have a few people who donate \$20, and that is truly all they can afford. I really appreciate your contribution. God Bless. We are not a yacht club open only to those who can afford it. We are a community where *all* are welcomed with open arms. But that means that those who have the ability also have the responsibility, and we clearly have people who do not pay what they ought.

So, how much is right?

1% of your taxable income

Your contribution

If you expect to have your funeral here, then you ought to donate at least 1% of your taxable income to this church each and every year.

In Denmark, as you know, you would pay around 1% in church tax. Why should you pay less here? Our donor base is after all only a fraction of a typical Danish parish. (We have 297 members; an average parish has 2581 members.) Danish taxpayers first pay their church tax—on top of the already infamously high Danish income tax—and then donate to charities like DSUK, and we reap the benefits. We have received large sums of money from Danish foundations in support of our Kitchen and Lift Project; I doubt that they would be happy to hear that our own members contribute less to church than an average Dane in Denmark.

The calculation is easy enough: If 100 people each donate 1% of their taxable income, that makes 100% of an average income. But

- our pastor earns more than an average income,
- we have other costs, and
- we are not 100 people in church on Sundays,

so 1% is actually less than your fair share.

If you think 1% is too much, then look the retiree in the eye who gives more than \$1000 out of his meagre pension.

Again,

If you expect to have your funeral here, then you ought to donate at least 1% of your taxable income to this church each and every year.

You will soon be doing your taxes. Compare your tax receipt from our church with your taxable income.

Your donation

| Taxable income | Donation to church | Value of tax receipt |
|----------------|--------------------|----------------------|
| \$20 000 | \$200 | \$ 40.12 |
| \$30 000 | \$300 | \$ 83.82 |
| \$50 000 | \$500 | \$171.22 |

and those of us who make good money really ought to give more than that.

2 Kitchen and Lift Project

Phase 1 of the Kitchen & Lift Project is essentially complete. That is, we have the raw kitchen extension.

Danish donations

We have received

- 100 000 kr from *Edith & Godtfred Kirk Christiansens Fond* (Lego),
- 150 000 kr from *Knud Højgaards Fond*, and
- 75 000 kr from *Konsul George Jorck og Hustru Emma Jorck's Fond*.

That's a total of 325 000 kr or \$59 308 at the exchange rate on February 23rd. We are still waiting to hear from *Knud Taagholt's Fond*.

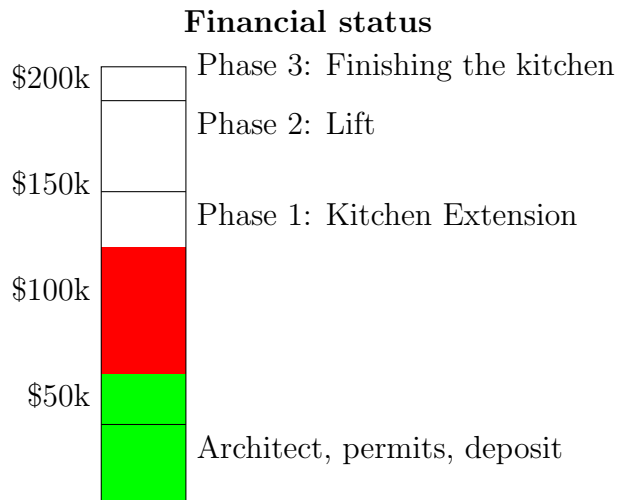


Figure 2: Financial status of the Kitchen Expansion Project. Support from Danish foundations in red; money from our savings and fund raising in green.

We have spent about \$36 000 on the architect, permits, and a \$15 000 deposit for the contractor. We are still waiting for the contractor’s bill, but we expect it to be around \$110 000 (in addition to the deposit). See Figure 2.

We have not, yet, asked you to contribute. I hope that we don’t have to until Phase 3. Nor have we approached local business and other Canadian sources of funding. This is an unfortunate consequence of me being too busy. We should have established a Fund Raising Committee a year ago. We didn’t, but now we have.

When you elected me two years ago, I was an inexperienced president. One of the most obvious, but also most difficult, things to learn as a leader is to delegate. I tried to do too much of the work myself, couldn’t manage to my satisfaction, and now I need a break. This is why I have declined the possibility to be re-elected tonight. I would like to thank my follow Board members; I think we have done good work. I would like to thank Bodil Nielsen, who does a fantastic job in the office. And I would like to thank Bodil Toftdahl: it is very reassuring that you are still here.