

CBF council reports declining revenues, adopts new budget

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DECATUR, Ga. (ABP)—Halfway through their fiscal year, leaders of the Cooperative Baptist Fellowship learned about a significant revenue shortfall during the CBF Coordinating Council winter meeting in Decatur, Ga.

Undesignated receipts were 13.2 percent below the year-to-date budget, according to a financial summary of the six months ended Dec. 31, 2006. That budget itself had been revised downward from an earlier adopted budget.

In order to address an anticipated revenue shortfall, council members instituted a plan last fall to operate at 90 percent of the original 2006-07 budget.

The Fellowship's partner organizations, such as CBF-affiliated seminaries, already have felt the budget shortfall, since partner allocations are adjusted each month to reflect current revenues.

All told, CBF's undesignated revenue for the first six months of the fiscal

year totaled \$5.9 million, compared to the budgeted amount of \$6.8 million. The undesignated-receipts category includes general contributions, offerings for global missions and income from resource fees.

Including designated gifts, the Fellowship's total revenue for the first half of the fiscal year was \$8.5 million. CBF expenditures for the same period were \$10.3 million, resulting in a net loss of \$1.8 million for the period.

CBF Controller Larry Hurst said the revenue gap could be due to a "timing issue" for several contributing churches that have delayed their regular gifts in order to meet fund-raising goals. The discrepancy also could be due to reduced budgets at churches throughout the CBF network, he added.

Council finance committee member Joe Goodson said several key donors and churches had reallocated funds previously given to CBF in order to support ongoing hurricane-relief efforts along the Gulf Coast.

But while some initiatives like CBF's Global Missions Offering remain underfunded, Hurst pointed out, resource income revenues are at 110 percent of the projected budget.

The organization's staffers are reducing expenditures in light of the deficit, Hurst said. "We've got a gap here that we're trying to close. We're really trying to do anything we can think of to reduce costs."

CBF employees have held conference-call meetings instead of on-site meetings and used local churches instead of hotel conference centers to host council meetings.

The finance committee also has decided to hire a new auditing firm, Capin Crouse, which will provide a decrease in auditing fees of about 50 percent from last year's auditors. CBF had retained the national firm Deloitte and Touche as auditors since 1999.

The change to a smaller, niche firm with a long client list of nonprofit organizations would give CBF “more bang for the buck” in its auditing services, committee members said. Capin Crouse is based in Atlanta.

CBF Coordinator Daniel Vestal said he and his staff are “trying hard to be good stewards of the Lord’s money” but added that they could expand their services if they had more resources.

“This does represent more than money,” he said. “It represents the investment and the vision of the Cooperative Baptist Fellowship.”

Council members also unanimously approved the proposed 2007-08 expense budget, which projected total expenses of \$16,481,000. The 2006-07 budget listed expenses of \$17,050,000.

Connie McNeill, coordinator of administration, said the finance committee derived the 2007-08 budget from the previous year’s revenues. To get a new budget that would realistically reflect probable income levels “required a reduction of all the (Fellowship’s) initiative areas,” she said.

“It is, of course, something about which we share concern,” she said. “We hope that the message is that the challenge and the opportunities are there. We think the resources are there. We just hope we can get those together.”