The Church’s **Annual Operating Fund** and **Capital Fund**:

What is the Relationship?

* **Funding for the Annual Operating Budget is by necessity the highest priority each year,** because if that falls short, there won’t be enough to keep our building in working order and pay our indispensable staff.
* In addition to pledging full support for the Annual Operating Fund, our generous congregation in 2018 pledged enough to the Capital Fund to launch construction of our long-awaited addition to the Jones Building.\* Eventually, additional pledges will be sought for the June 2021-June 2022 year, about $308K more, to “close the Gap” and **avoid burdening future Annual Operating Budgets** with debt service for an extended loan.

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| Feature | Annual Operating Fund | Capital Fund |
| Uses | Staff salaries, building maintenance and operating costs, program expenses, supplies | Capital improvements - in particular, construction of new building addition |
| Chief source of funding | Pledges in response to Annual Pledge Drive each spring | Pledges in response to 2017-2018 capital campaign |
| Time period for receipts | Each fiscal year July 1 – June 30 | Over three fiscal years ending June 30, 2021 |
| Amounts Pledged  | $520,000 annually(fiscal year July 2019-June 2020) | $1,250,000 (spread over the three fiscal years ending June 30, 2021) |

\*For more information, see church webpage at <http://www.c3huu.org/osof-1.html> .