

#### **OUR MISSION**

Empowering generations to passionately follow Jesus, one person at a time

#### OUR VALUES

Live the Word
Follow the Spirit
Relate Well

Give Generously
Seek Justice
Share Jesus

#### OUR PRIORITIES

#### Do Justice, Love Mercy

Reflecting God's diversity in imago Dei (image of God)

#### Family Table

Honoring and bringing generations together

#### Mobilization

Discovering one's passion to serve

#### **OUR STRATEGY**

#### Gather

to remember and celebrate God

#### Grow

together in Christ-likeness

#### Give

of our abilities and resources

#### Go

into all the world

#### THE YEAR OF TRANSITION...

The ministry year of June 2021 through May 2022 seems like a lifetime ago. It was the second year of COVID and the effects were still complicating life for all of us. Nationwide, we were experiencing discord.

Vaccinations became available in December 2020, but were difficult to schedule. The school year (2020-21) ending in June was disrupted by online classes and a loss of in-person activities. It was a time of uncertainty about when to meet, how to meet, whether to wear masks, and when this would be over.

At PCC, we had started meeting in the Worship Center again in May 2021. And then everything changed...again.















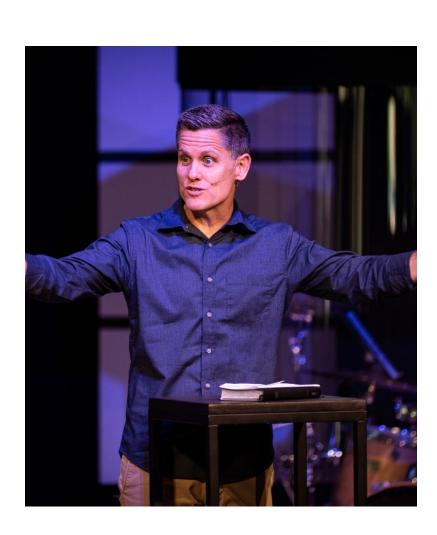


On June 27, we said goodbye to Gary Gaddini, our Lead Pastor for the last 18 years (and 24 years on staff). The Leadership Team called Brian Rhen to shift into the role of Transition Lead Pastor and he adopted the year's theme: **TOGETHER: We Are PCC.** 

Gary's transition out of PCC and a variety of factors led to a series of staff departures: Luke Wilkerson (College/20s Pastor), Monika Boudreau (Children Ministry Director), Danny Bowers (Family Ministry Pastor), Anthony Mejia (Center Executive Director), Meritt Sawyer (Executive Pastor), Jonathan Montejano (High School), Hannah Nielson (Middle School), Ian Pitter (Worship and Creative Arts Pastor), Ken Carter (Traditional Worship Leader), along with others. In total for the year, we said goodbye to over 20 regular or full-time staff!

With many departures, there was much grief and unknown about the future. As we celebrated our 70-year anniversary in August 2021, we knew we had to rely on the staff and congregants called to PCC, while trusting in God's power and sovereignty.

In order to search for a new Lead Pastor, the Leadership Team (LST) hired a consulting firm, A.E. Sloan to guide the newly formed Search Team, the Leadership Team, and the congregation through a discernment process which included defining the unique purpose of PCC, the church profile, and job description. This process was aided by a survey, listening groups, storytelling groups, and input from consultants, staff, and congregation members. The Church Profile was published in April 2022 and the process of attracting and interviewing applicants began.



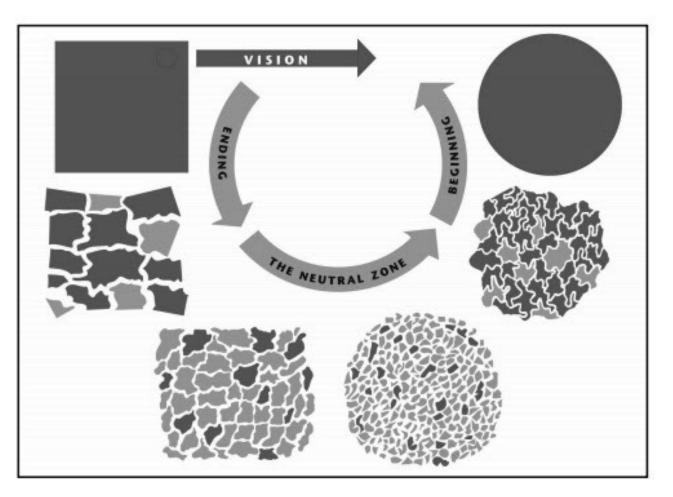






As you'll see in the pages that follow, regardless of the circumstances, PCC continued to care and challenge those who called PCC home, while reaching our local community and touching the world. Enjoy remembering season by season, what God has done through PCC during the 2021-2022 ministry year.





## **SUMMER**

- On June 27, 2021, we said goodbye to Gary Gaddini, longtime Lead Pastor, and welcomed Brian Rhen as our Transition Lead Pastor as they transferred the symbolic shepherd's crook.
- Brian Rhen characterized our new transition with the graphic of a square turning into a circle, representing the journey we were on to become an evolving organization.
- We finished our <u>Be The Bridge</u> message series and small groups, which gave us a chance to connect with experiences other than our own as we met in groups of differing ethnicities. The goal was to grow in a biblical understanding of unity and reconciliation, while learning how to be the bridge toward others.

- Brian Rhen's first Sunday as Transition Lead Pastor was July 4 and he called us to interdependence on God and one another during this new season based on Hebrews 10:22-25 (the "let us" or "lettuce" passage). Our next message series was Together:
   Responding to His Great Love. This journey through 1 John was intended to remind us of God's amazing love and provide hope as we began our new journey together.
- In July, our \$937,966 PPP loan was forgiven in full! Thanks to Tara Rankin, Controller, who headed up the effort and the team of Jane Johnson, Caren Fior, Laurie Wilson, and Rachel Zygarewicz.
- Kids Ministry invited families to stay after worship gatherings on Sundays for Kids on the Lawn. Families ate and played together.
   Also, Water Days on Wednesday nights gave kids another reason to celebrate summer.
- EPIC (middle school) and HOUSE (high school) attended summer camps in July.
- He Grills (Men's Ministry) and He Hikes were a consistent, monthly way for men to connect with each other.































- On August 15, 2021, we celebrated PCC's 70th Anniversary with stories, photos, thanks, and a celebration lunch on the lawn.
- The Community Center was in full swing with youth programs (Swim School and youth aquatics) in addition to the ever-expanding outdoor fitness, aquatics, and tennis programming. To increase capacity, the Center continued to rebuild by adding a reservation system that offered more outdoor fitness, aquatics, and tennis opportunities and moved the Youth Aquatics Fitness program to Sequoia High School for the summer. They also launched a hybrid Swim School program for families and increased opportunities for families to safely return to the Center with Family Rec Zone reservations amidst the uncertainty of COVID.

#### MISSION HIGHLIGHT

Glocal Ministry leaders began a monthly in-person prayer gathering: Firepit Prayer, meeting the last Friday of each month. People came to pray, to be prayed for, and to learn how to pray. A new praying community was born that continues growing to this day. The Holy Spirit continues to move deeply in this time together.



## THIS SUNDAY

# TOGETHER WE ARE PCC

One Gathering
Sundays

Sundays 10am

### **FALL**

- TOGETHER gatherings were started to pull us together one Sunday a month. Instead of worshipping in 2 gatherings: Traditional at 8:55 and Contemporary at 10:30, we met TOGETHER monthly at 10:00am.
- The Fall message series was on Deuteronomy, called <u>Together</u>:
   <u>Remembering</u>. It focused on learning from the Israelites who
   headed from the desert toward the promised land, since we are a
   faith community heading into a new future.
- On September 5, four people were baptized: Javan Clark, Ivi Clark, Jesse Harper, and Ellice Nisbet.













- At the Town Hall meeting on September 26, 2021 we were called again to interdependence and to be part of the 500 for the future at PCC by Brian.
- Women's Ministry launched She Gathers at a breakfast on October 17.

  Over a hundred women attended and connected with each other.
- A Pumpkin Patch was hosted by our Family Ministry team to the delight of many families in our community.
- On November 13, we gathered together for a Work Day throughout the PCC campus. Painting, planting, cleaning, landscaping, weeding, power washing – so much was accomplished under the leadership of Missy Rhen and Brian Ulrich. About a hundred PCCers from the Church, Center, Preschool, and SACC rallied to improve our campus.
- We began a partnership with Recology to increase our use of recycling and compost, led by Alex Rinear, Missy Rhen, and Sam Liotti. This will reduce the amount of waste going into landfill from our campus.
- Four people were baptized on November 21: Michelle Turcios, Jiayi Liu, Jeremiah Gomes, and Jack Lanham.
- The Lead Pastor Search team was announced and commissioned (Sue Fabbro, chair, Ron Dahlin, Scott Huffman, Sue Nunan, Daisy Segal, Lisa Tyndall, Henry Villar, Grace Wang, Michael Wilton) to begin the search process. Updates are found here.
- Although PE+ was completely online for the 2020-21 school year, Sequoia Health Care Foundation, Redwood City School District, and 8 out of the 8 elementary schools committed funds so PE+ could return onsite this Fall to serve over 4,000 students. Jeff Thomas started as the PE+ Program Assistant Director just in time for Heather Mori, PE+ Program Director, to start her maternity leave. This program was able to continue to serve over 4,000 students in the Redwood City School District, and launched on-site as the elementary schools returned to campus.

















- Preschool started the fall with a new director, Sarah Sabato, and a reduced enrollment of 28 students. Masks were required for everyone.
- School-Age Child Care (SACC) hosted 100 kids each afternoon under the new leadership of Dione Mason.
- After 11 years as the Community Center Executive Director, Anthony Mejia, resigned in November 2021. Meredith McLean was placed as the Transition Director to lead the Center team as they continued to rebuild and retain memberships, staff, and serve the community.

#### MISSION HIGHLIGHT

Throughout the whole year, the <u>Do Justice</u>, <u>Love Mercy</u> team offered lunch conversations on faith, justice, and mercy on the last Sunday of each month. Topics included multi-ethnic family stories and struggles, discussions with law enforcement officers, and education. Bible studies, panel discussions, and media presentations have created an encouraging and engaging environment. The team continues to pray that God's mercy and justice will be known everywhere.





## **WINTER**

- The Advent season began November 28 with a message series entitled, <u>Together We Sing: Songs that Point to a Savior</u>. Key scriptures and known songs of the season reminded us of how the birth of the one true Christ brought us Hope, Peace, Love, Joy, Light, and Faith.
- A traditional Christmas celebration was held on December 19 with choir, orchestra, and lots of singing! Then on <a href="Christmas Eve">Christmas Eve</a>, worship gatherings were held at 4:30pm and 7:30pm with over 500 in attendance.
- January saw the uptick in COVID cases, so PCC responded by going to one worship gathering and encouraging social distancing, and masks.
   The count of staff COVID cases on the Operations whiteboard grew and grew.

- One of the important elements on our discipleship pathway is the <u>Rooted</u> experience which was held during the winter season. Their closing element of cardboard testimonies was shared during our Easter worship gatherings.
- The January message series was <u>Together We Are PCC</u>: <u>Our Core Values</u>. As we focused on the Book of Acts, we highlighted our six PCC Values: Live the Word, Share Jesus, Relate Well, Give Generously, Seek Justice, and Follow the Spirit.
- At the Stakeholder Meeting on January 30, 2022, we learned that:
  - We are now a church of approximately 500 people (rather than our pre-COVID number of 1,000).
  - We also have 29% fewer individual givers. Many families have left the Bay Area and there is concern we wouldn't make the budgeted giving number. The Leadership Team and staff were working to right-size spending by not replacing some of the departed staff and controlling spending.
  - A discernment process was announced for determining the size, number, and style of our future worship gatherings. A final decision was to be announced April 6 and implemented on April 24.
  - We were also encouraged that while COVID interrupted a lot, it had not stopped God from bringing new people to PCC, who have been engaging in community, being baptized, choosing to become Stakeholders, joining Rooted, and becoming more like Jesus.































• In February, Summer Levinson was hired to lead The Network for young adults. They began with a series of how to read the Bible. Many of the regular attenders were brand new to the idea of Jesus. Leaders in our PCC Community were invited to share how they read Scripture.

#### MISSION HIGHLIGHT

God's Heart for the World offering in December assisted local ministries to teach immigrants to build kingdom businesses and financial literacy. An Afghan refugee resettlement ministry became an active partnership in Fremont with PCCers caring through prayer and service. In addition, PCC was able to help in the safe evacuation of many believers from Afghanistan. Unaccompanied minor children who arrived in the country alone have been placed with foster families and were able to receive therapy from Christian counselors helping many through the trauma of losing their families of origin.







### **SPRING**

- In early spring 2022, the Lead Pastor Search team completed and published the <u>Church Profile and Job Description</u>, opening the position to applicants. They characterized PCC's unique gift to the world as: <u>Living life and growing together in Christ as we serve our larger community with the courageous kindness of Jesus.</u>
- Our Worship & Creative Arts Pastor, Ian Pitter's last Sunday was March 27 and with his departure, Joseph Krishna became our Interim Worship Leader. We also said goodbye to Ken Carter, Traditional Worship Leader, on April 10 after over a decade of excellent and faithful service to PCC.













- With a successful membership drive, the Center increased memberships to serve over 2,400 individual community members by March 2022. As our rebuilding efforts continued to thrive, Center programs exceeded goals with full capacity in both Swim School and Youth Aquatics Fitness spring programming, and created new spring and summer opportunities with new programs like the Summer Sports Camp as well as a summer leadership development program.
- A complete rebuild of staff for the Family Ministry department was accomplished with the hiring of Jacquie Ronan in October, Macy Tan (Kids Ministry) and Ariel Lewis (Admin) in March, and Jeremiah Campos (Student Ministry) in May.
- Lent began with Ash Wednesday on March 2. The Lenten message series was <u>Together: Experiencing a Savior Who Knows</u>. We were reminded that along with being tempted in every way, Jesus suffered in every way emotionally, physically, socially, and relationally. The benefit of reflecting on His suffering was to understand the extent of His love for us and His compassion for us in our suffering.
- On April 17, Easter Sunday, we celebrated Jesus' resurrection with 2 worship gatherings and attendance over 900 people! Baptisms were performed for Aubriana Sanchez, Louie Sanchez, Aubrie Polito, Brian Rinear, Jake Warren, Ryan Seeberger, and Nia Seeberger.
- The Family Ministry department hosted an Easter Egg Hunt on Easter morning for families. The lawn was filled with children scooping up eggs and turning them in for prizes to take home.
- The Network hosted an Easter Sunrise event and invited high school seniors to join them. They had a time of worship as they watched the sun rise, followed by a waffle breakfast.
- On April 24, the two distinct Worship Gatherings were changed into one intergenerational gathering after the designated discernment process of the congregation and leadership. This integrated gathering at 10:30am include both traditional and contemporary elements along with family friendly elements.
- Our message series post Easter was <u>Together: Living into our Ordinary Callings</u>. The focus was on how we each have an ordinary call that takes on a unique shape in a specific place. The ordinary lives of Deborah, Phoebe, Lydia, Timothy, Salome, the woman at the well, and Joseph were studied.

















- After consideration by the Preschool Advisory Board, Lead Team, and the Leadership Team, the decision was made to limit Preschool's enrollment in Fall 2022 to only Pre-K children. The goal is to evaluate and determine changes needed for the future of PCC Preschool.
- Leadership for Adult Ministry was given to Scott Kirksey. He now oversees the team of Missions, Connection, College/20s, and Adults.
- In May, people who had helped us **Make It Through Together** were <u>highlighted every day, all month long</u>. We are grateful!
- On Memorial Day, the Center launched the summer season with our first of several Family Fun Days in the pool, including Island Fun, food, and games for over 100 families to enjoy.

#### MISSION HIGHLIGHT

With the arrival of so many local refugees in need, PCCers were able to begin building relationships with newly arrived Afghans, learning to pray together, share faith stories, and make connections. A young Afghan church leader was able to continue her education in a Christian university in the US, and Ukrainians were able to adjust to life in the USA comfortably. As people began to actively look for opportunities to reach out personally to plant seeds of God's love, pathways were created to hear God's loving voice and experience His grace.

# FINANCIAL OVERVIEW

As you look through the following charts, what might be difficult to discern is the unexpected end to our fiscal year. At our January 2022 Stakeholder meeting, we believed it would be nearly impossible to make our \$3.8M total donation goal by the end of May 2022 for the church. From the beginning of 2022, leadership determined that if the church could hold expenses around \$3M, we might be able to achieve a balanced budget. Through strategic hiring, controlled spending, and other cost-saving measures, we were filled with gratitude when together, as One PCC, we were able to cover all our expenses!

For the following fiscal year, 2022-2023, leadership presented (and Stakeholders approved) a reduced church budget, based on \$3M of projected general fund donations.

**Note:** Financial statements are presented on a modified cash basis, and include modifications to include the capitalization of fixed assets and long-term liabilities.

	ALL PCC STATEMENT OF ACTIVITIES	2021-22 ACTUALS
	Donations & Revenues	
	Donations ———— General Fund Donations	3,508,987
Includes God's Heart for the World Donations of	Community Care Donations	39,542
\$36,214 (10% of Dec 2021	Designated Missions Donations	45,609
General Fund Donations)	Designated Donations - Other	21,768
	Total Donations	3,615,906
	Revenues	
	Fitness Membership & Dues Revenue	2,088,088
	Tuition Revenue	911,240
	PE+ Grant & School Funding	649,964
Includes: counseling	──── Other Revenue	282,010
revenue, pastor/staff rent revenue, building usage fee	Total Revenues	3,931,302
revenue, cell tower revenue, interest income, food sales, and merchandise sales.	Total Donations & Revenues	7,547,209
•	Expenses	
	Salaries & Benefits	5,126,479
	Program Expense	
Includes PE+ ◆	Center Ministry	277,895
	SACC Ministry	100,729
	Preschool Ministry	12,655
Includes family, adult, worship & missions ministries	Church Ministries	189,444
worship & missions ministries	Central Services & Shared	152,877
	Total Program Expense	733,600
	Missions & Outreach	
	Missions Partner Support	267,342
	Community Care Support	31,321
	Immigration Relief	47,500
	Afghan Relief	9,728
	Ukraine Relief	7,063
	Other Designated Fund Expenditures  Total Missions & Outreach	77,936 <b>440,890</b>
	Direct Overhead	-
	Center Ministry	452,166
	SACC Ministry	432,100 60,971
	Preschool Ministry	7,769
	Church Ministries	19,323
	Total Direct Overhead	<b>540,230</b>
	Indirect Overhead - Central Services / Shared	668,908
	Total Expenses	7,510,107
	Change in Net Assets	37,101

# PRESCHOOL RECAP

**SACC** RECAP

CATEGORY	2021-22 ACTUALS	2021-22 APPROVED BUDGET	UNDER (OVER) BUDGET	% OF BUDGET
Salaries & Benefits Base Salaries Payroll Tax/Retirement Benefits Worker's Comp & Other Staff Benefits Total Salaries & Benefits	174,002 17,848 3,751 <b>195,600</b>	185,414 16,379 8,654 <b>210,447</b>	11,412 (1,469) 4,903 <b>14,847</b>	92.95%
Direct Overhead Costs	7,769	11,360	3,591	68.39%
Program Supplies Teacher Training & Education Curriculum Technology Total Program	8,781 2,140 742 991 <b>12,655</b>	10,400 2,000 500 800 <b>13,700</b>	1,619 (140) (242) (191) <b>1,045</b>	92.37%
TOTALS	216,024	235,507	19,483	91.73%
CATEGORY	2021-22 ACTUALS	2021-22 APPROVED BUDGET	UNDER (OVER) BUDGET	% OF BUDGET
Salaries & Benefits  Base Salaries  Payroll Tax/Retirement Benefits  Worker's Comp & Other Staff Benefits  Total Salaries & Benefits	492,386 31,256 31,434 <b>555,077</b>	391,140 35,067 37,128 <b>463,335</b>	(101,246) 3,811 5,694 <b>(91,742)</b>	119.80%
Direct Overhead Costs	60,971	63,842	2,871	95.50%
Program Supplies Curriculum Teacher Training & Education Technology Total Program	61,863 24,886 8,412 5,568 <b>100,729</b>	83,450 22,811 8,900 3,700 <b>118,861</b>	21,587 (2,075) 488 (1,868) <b>18,132</b>	84.75%
TOTALS	716,777	646,038	(70,739)	110.95%

# **CENTER**RECAP

This chart does not include PE+.

## **CHURCH** RECAP

Includes: Adult Ministries, Worship Ministries, Family Ministries, Missions Department Ministries, and Mission Partner Support (General Fund only).

CATEGORY	2021-22 ACTUALS	2021-22 APPROVED BUDGET	UNDER (OVER) BUDGET	% OF BUDGET
Salaries & Benefits				
Base Salaries	918,429	869,703	(48,726)	
Payroll Tax/Retirement Benefits	104,027	86,398	(17,629)	
Worker's Comp & Other Staff Benefits	117,640	144,874	27,234	
Total Salaries & Benefits	1,140,096	1,100,975	(39,121)	103.55%
Direct Overhead Costs	274,333	185,115	(89,218)	148.20%
Total Program	266,463	143,180	(123,283)	186.10%
TOTALS	1,680,892	1,429,270	(251,622)	117.60%

CATEGORY	2021-22 ACTUALS	2021-22 APPROVED BUDGET	UNDER (OVER) BUDGET	% OF BUDGET
Salaries & Benefits  Base Salaries  Payroll Tax/Retirement Benefits  Worker's Comp & Other Staff Benefits  Total Salaries & Benefits	737,903 88,036 79,857 <b>905,796</b>	766,656 102,772 78,191 <b>947,619</b>	28,753 14,736 (1,666) <b>41,823</b>	95.59%
Direct Overhead Costs	19,323	26,200	6,877	73.75%
Total Program	189,444	265,425	75,981	71.37%
Total Mission Partner Support	224,088	225,088	1,000	99.56%
TOTALS	1,338,651	1,464,332	125,681	91.42%

## CENTRAL SERVICES RECAP

	CATEGORY	2021-22 ACTUALS	2021-22 APPROVED BUDGET	UNDER (OVER) BUDGET	% OF BUDGET
	Salaries & Benefits  Base Salaries  Payroll Tax/Retirement Benefits  Worker's Comp & Other Staff Benefits  Total Salaries & Benefits	1,328,605 135,340 163,460 <b>1,627,405</b>	1,449,978 222,644 212,298 <b>1,884,920</b>	121,373 87,304 48,838 <b>257,515</b>	86.34%
Not directly attributable to any one PCC ministry	PCC Indirect Overhead and Shared Costs Utilities Maintenance, Repairs & Improvements Mortgage Costs Insurance Professional Services (IT, Counseling Center, etc.) Merchant & Software fees Other Supplies and Equipment Less offset for Admin Fees earned Total PCC Indirect Overhead and Shared Costs	266,818 267,938 58,140 54,135 137,194 97,726 100,931 (161,097) <b>821,785</b>	508,348 168,100 83,936 58,122 113,800 138,000 168,492 0	241,530 (99,838) 25,796 3,987 (23,394) 40,274 67,561 161,097 <b>417,013</b>	66.34%
	TOTALS	2,449,190	3,123,718	674,528	78.41%

# COMPARATIVE STATEMENT OF FINANCIAL POSITION

	AS OF 5/31/22	AS OF 5/31/21
Assets Cash and Cash Equivalents - Unrestricted	2,983,335	2,487,582
Cash and Cash Equivalents - Restricted* Property & Equipment	225,225 8,387,500	683,810 8,852,732
Total Assets	11,596,060	12,024,124
Liabilities		
Accrued PTO National Covenant Loan	253,960 549,973	430,512 584,019
Other Liabilities	207	194
Total Liabilities	804,140	1,014,725
Net Assets	10,791,919	11,009,399
Total Liabilities and Net Assets	11,596,060	12,024,124

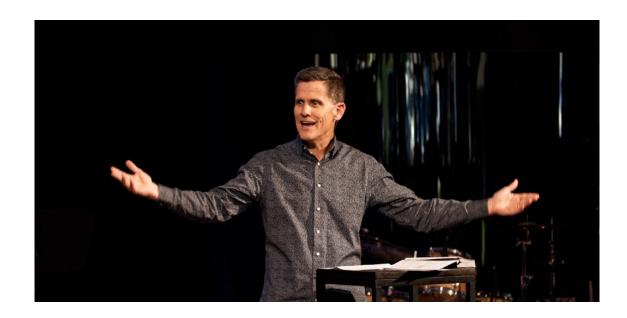
#### **FOOTNOTE**

\*Decrease in Restricted Cash of \$458,585 due to:

- \$241,806 less PE+ cash (timing difference in grant funding)
- \$155,974 closing of Vision 2025 fund to General Fund
- \$42,086 spent in GHFTW (held during Covid)

# COMPARATIVE STATEMENT OF CASH FLOWS

	YEAR TO DATE 5/31/22	YEAR TO DATE 5/31/21
Cash flows from Operating Activities		
Cash received from services	3,340,358	2,541,558
Cash received from contributions	3,615,906	4,034,394
Cash received from grants	403,273	429,908
Cash received from investments	208	231
Miscellaneous receipts	187,463	192,982
Cash paid to employees & suppliers	7,378,757	7,756,873
Total cash flows from Operating Activity	168,452	(557,800)
Cash flows from Investing Activities		
Capital expenditure	(97,293)	(61,779)
Net Cash used from Investing Activities	(97,293)	(61,779)
Cash flows from Financing Activities		
Debt proceeds	(34,045)	(32,425)
Net Cash used by Financing Activities	(34,045)	(32,425)
Total Increase (Decrease) in Cash	37,114	(652,004)







When I look back on the ministry year of 2021-2022, my initial thought was that as a church we experienced an end of an era. For almost 20 years, PCC had consistency in staff, resources, and ministry output. But in 2021, as we emerged from the extended journey of COVID and said goodbye to our Lead Pastor, other beloved staff and congregants, we found ourselves in a transition like no other in our 70-year history.

While this brought about grief and longing for the past, it also brought forth an anticipation about the future. For some people, the changes were too fast and for others they were too slow. But in the end, as God was doing a new thing shifting our shape from being a square to a circle, I found it so encouraging how our leaders rose up, new people kept coming, and God graciously showed us the way. What we have experienced in this past ministry year is like no other, but then again so is the future that we have before us.

Personally, I want to thank you for your faithfulness to God, PCC, and our staff. For all of us it was not easy, but I am reminded of Jesus' brother, James' word about the benefit of persevering.

#### James 1:2-3:

Consider it pure joy, my brothers and sisters, whenever you face trials of many kinds, because you know that the testing of your faith produces perseverance. Let perseverance finish its work so that you may be mature and complete, not lacking anything.

We made it through TOGETHER. To God be the Glory!

**Brian H. Rhen** Transition Lead Pastor

John Dearborn, Chair Maureen Becker, Vice Chair Sue Fabbro, Secretary Anna Schreff, Treasurer **Peninsula Covenant Church** 3560 Farm Hill Blvd Redwood City, CA 94061

#### FIND US

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