



CHRIST LUTHERAN CHURCH

RICHMOND, VIRGINIA

2017 OPERATING BUDGET

As Approved by the Congregation

September 25, 2016

CHRIST LUTHERAN CHURCH

2017 NARRATIVE BUDGET

September 25, 2016

Last fall the congregation approved a budget of \$308,900 that challenged our disciples to new levels of responsible and realistic stewardship. So far, we have met this challenge. As a result, we have been able to undertake improvements to our programs as well address some long-standing property needs.

Our 2017 Budget is a somewhat more aggressive budget that will allow us to continue the mission and improvements we began in 2016.

The 2017 Budget was prepared by the Finance Committee and the Council through much prayerful discussion with leaders of our various ministries, and our members at large. In addition to these discussions, the committee reviewed available historical data relating to church income and expenses, as well as considering relevant information from synod and other sources.

This summary and narrative describes the expenditures for each of the budget categories or ministries. The estimated expenses are not necessarily all-inclusive, but represent best estimates based on available information. Council believes this budget reflects reasonable estimates for income and expenses, and also reflects the desires and expectations of our congregation's stated vision for renewal, progress and growth.

The 2017 Budget was approved by a unanimous vote at a Special Congregational Meeting on September 25, 2016.

Christ Lutheran Church

2017 BUDGET

September 25, 2016

	2016 Budget	2016 Projected Totals	2017 Budget
OFFERINGS AND CONTRIBUTIONS	308,900	319,555	319,000
EXPENSES AND PROGRAMS			
Evangelism	1,500	725	500
Stewardship	850	500	750
Worship and Music	7,375	5,240	6,225
IT and Communications	2,950	1,500	2,750
Faith Formation	4,990	2,759	3,200
Family Ministries	1,800	750	1,150
Benevolence and Outreach	13,800	12,457	14,300
Vision	900	300	550
Finance	1,175	1,600	2,800
Property and Facilities	50,203	55,345	50,140
Administration	59,350	62,320	64,440
Compensation	164,007	162,448	176,995
TOTAL EXPENSES	308,900	305,944	323,800
INCREASE/(DECREASE) IN RESERVE FUND	0	13,611	(4,800)

Christ Lutheran Church

2017 Budget Narrative

REVENUE

The total revenue estimate for 2017 is \$319,000. Based on offerings received through July 2016 and other factors, we project our total 2016 offerings and contributions from other sources will be around \$319,500. Assuming the 2016 trend continues, we believe a total revenue estimate of \$319,000 for 2017 to be a challenge, but nonetheless, reasonable and achievable.

EXPENSES

EVANGELISM provides outreach to those within and beyond our church who are seeking a relationship with Jesus Christ.

STEWARDSHIP engages and encourages members to offer their treasures, time and talents in service to God through Christ Lutheran.

WORSHIP AND MUSIC budget provides for altar supplies, music, substitute ministers and organists and other items needed to run our worship services.

IT and COMMUNICATIONS budget is for maintaining and improving our church computer equipment and infrastructure.

FAITH FORMATION ministry provides for enhancing and strengthening our growth in faith through confirmation and first communion classes, new member classes, ACTS classes, Sunday School, and Vacation Bible School. It also includes costs to send our representatives to the annual Virginia Synod assembly.

FAMILY MINISTRIES The budget for this ministry supports family and youth-oriented activities such as synod youth programs, chili cook off and the Easter breakfast.

BENEVOLENCE and OUTREACH is for our synod benevolence and other outreach programs. Our budgeted synod benevolence for 2016 was \$12,000 and this budget increases that amount by \$1,000 to \$13,000. In addition to our regular synod benevolence, we also paid an additional \$3,500 to synod which represented 10% of our 2015 surplus. We would plan to send synod 10% of any surplus again this year.

VISION ministry serves as the strategic planning group for Christ Lutheran. The budget includes funds to cover the cost of the annual council retreat, typically held in late February or early March at an off-site location.

FINANCE budget is to cover the cost of our weekly offering envelopes as well as miscellaneous treasurer supplies. This year's budget also includes \$1,800 to pay for a payroll service through our bank (BB&T). Payroll is one of the most complicated and important administrative services performed for years by our church treasurer. Having this function dependent on the health and capability of one individual, leaves the church in a very vulnerable position. By engaging this service, the church protects itself with assured continuity of the payroll function, and compliance with the related significant federal and state tax requirements.

PROPERTY AND FACILITIES About 40% of our Property and Facility budget is committed to our utility costs (\$20,125). We must keep in mind that our two buildings are in the 45 to 50-year-old range and therefore require increasing amounts of time and money to keep them properly maintained and operating. Our 2016 property expenses have been higher than estimated due to necessary repairs to our heating and air conditioning system and other needs. The Property Committee has identified several maintenance and improvement items that will need attention, some being more of an immediate need than others. Projects Property is currently aware of that we can reasonably expect to have to address in 2017 include:

- Resolve water leakage in basement rooms
- Expand Wi-Fi capability to educational wing
- Complete front door upgrade
- Complete library renovation
- Refurbish pews
- Replace outside trash bin
- Caulking of stain glass windows
- Repainting of cupola
- Continued maintenance needs with air conditioning units

The proposed budget includes estimates to address some of these items, but maintenance issues can arise at any time and this may necessitate making additional budget commitments if the need arises.

ADMINISTRATION This budget line provides for office supplies, postage and equipment service contracts.

Our debt cost of \$46,620 represents payments on our Thrivent mortgage.

A new budget item for 2017 is the LED Lease payment. The annual cost will be about \$5,820.

COMPENSATION expenses are projected to increase in 2017 to a total of \$176,995. Our 2016 compensation expense will be lower than budgeted, primarily because we were without an

administrative assistant and a nursery attendant for part of the year. Part of the 2017 budget increase assumes these positions will be filled for the entire year.

Salary increases have been provided for our professional staff (Pastor, Music Director, Parish Administrative Assistant) to reflect salary levels more consistent with the Richmond market and Synod guidelines. In addition, we need to provide for increases established by the Synod's insurance provider for Pastor's health insurance.

DECREASE IN RESERVE FUND. The proposed 2017 budget projects planned expenses to exceed expected revenue by \$4,800. If our estimate of a 2016 surplus of \$13,000 is anywhere near accurate, we would plan to use part of that to fund the 2017 budget. It should be noted that in our recent history, offering projections have tended to be conservative and actual contributions have typically exceeded what we forecast. Additionally, our stewardship track record shows that we have not had to access our reserves for operating expenses even when we have budgeted for that eventuality.

SPECIAL ENVELOPE CONTRIBUTIONS

Christ Lutheran has several special funds our members can contribute to, but there are six that we would like to ensure have an established means to replenish their balances as they are used. To that end, this budget proposes that offerings received from these special envelopes be dedicated to the following funds. These contributions would be "off budget" and would not be included in the 2017 operating budget.

Initial Offering: used to help support maintenance and repair projects performed by the *Men's Group*.

Lent: dedicated to the *Music Resource Fund* to help cover the costs of special music, tuning and other necessities of our music ministry.

Easter: dedicated to the *Seminarian Fund* to help support members of Christ Lutheran who are studying for the Lutheran ministry.

Thanksgiving: dedicated to the *Pastor's Discretionary Fund*, which is used to help people in need experiencing emergency life situations.

Advent: dedicated to the *Mission Trip Fund* to help defray the cost for volunteers to participate in the Appalachia Service Project and other mission ministries.

SPECIAL FUNDS

In addition to the funds mentioned above, members can make a contribution at any time to any of these special funds:

- Facility Maintenance and Improvements
- Angel Tree Gifts
- CARITAS Fund
- Bereavement Ministry
- Library Fund
- Thanksgiving Meals
- Prayer Garden Fund
- Youth Fund

BUDGET ADJUSTMENTS

By constitution, the Council may approve, by a majority vote, new expenditures up to 10% of the total budget. Historically the council may also adjust, reduce or reclassify approved budget line items, by a majority vote, if the need arises.

SURPLUS

If we are faithful stewards of our financial gifts and are judicious in our use of these gifts, we could end 2017 with a surplus of budgeted contributions over our expected expenditures.

This budget projects our 2016 offerings will exceed our 2016 expenses that will result in an increase in our reserve fund at the end of 2016 of around \$13,000.

The Council recommends that any reserve fund increase at the end of 2016, after payment of all bills, taxes, payroll obligations and utilities, be allocated to primary needs of the church. Examples of such allocations include:

- Funding 2017 budget
- Provide additional Synod Benevolence (10% of surplus)
- Church Maintenance, Repair and Improvement projects
- Provide seed money for 60th anniversary celebration
- Maintain a strong Regular Reserve Fund, to include investing available funds in order to generate additional revenue for church operations and growth*

*Finance is currently investigating investment opportunities with Thrivent Financial as well as the ELCA Mission Investment Fund.