

# RESURRECTION LUTHERAN CHURCH 2023 BUDGET - QUESTIONS AND ANSWERS

## Thank you!

**We want to start by saying THANK YOU to our members, visitors, staff and pastors for all of your patience, dedication and flexibility over the past year. It has been a joyful and challenging year and we have made it through with God's grace and guidance.**

Q1. Does the 2023 proposed budget provide the support and meet the needs for the SaddleBrooke congregation?

Yes! The budget includes line items for advertising, room rental, nametags, music, worship supplies and pulpit supply.

Q2. Were our pastors involved in developing our proposed 2023 budget and do they support this budget?

Yes. The pastors have been totally involved in all phases of this budget and support the budget and recommend approval by the congregation.

Q3. Does this proposed 2023 budget meet the required needs of the many ministries of RLC?

Yes. There are budgets to support music, children and families, media and even interns!

Q4. Our pastors and leadership seem to do a very good job of managing our actual income versus expenses no matter what the budget maybe. Will this type of fiscal management style continue?

Absolutely. We will continue to manage our expenses vs. actual income in 2023, just like we have done over the last number of years. Just because an item is in the approved budget does not mean we can ignore the current situation. Financial decisions will be made that are appropriate for our financial position at that time.

Q5. What is our current cash position? What are our reserves?

As of the end of September 2022, we had cash of just over \$1 million. Unrestricted reserves (retained earnings) total about \$400,000. These are very solid numbers for a church our size, and will allow us to take care of unexpected expenditures if the need arises.

Q5. How do we project the church and the CDC will end the year 2022 financially?

We expect the church to finish 2022 with positive net income of close to \$100,000. Virtually all of that income comes because of delayed compensation expense from hiring of new positions and temporary openings in ongoing positions. The CDC expects to break even (zero net income or loss) for the year. Of course, these results will vary depending on fourth quarter performance.

Q6. Why do the 2023 compensation expenses increase so much over 2022?

Most (80%) of the increase in compensation expenses is the impact of 2022 hiring staff. We had several new hires who were added around mid-year. So, they will receive about six months of compensation and benefits in 2022, versus twelve months in 2023. Raises are budgeted at less than 2% in total, and there are no new hires in the 2023 budget.

Q7. Over the last couple of years has RLC had many new member join the church?

Yes. Thanks to the on-going efforts of Pastor Tim and many of you, we have had 85 new members join in 2022 and around 150 join in total over the last two years.

Q8. What progress has been made on our Wi-Fi and technology upgrades?

There is a brand new Wi-Fi network at the CDC, a brand new Wi-Fi network in the memorial plaza, and a new Wi-Fi network that covers a good portion of our campus. There are still a few areas that need access points to help complete this network. We will be installing at least one of the access points in the Outreach building. We also have new network switches over in the office and a new modem and router that we received from Comcast recently.

Q9. How did the audit go in reviewing our 2021 results?

This audit was probably the best audit in many years. A few areas were identified and they were addressed by the Audit Committee and the Finance Committee. This very positive audit maybe credited to our excellent bookkeeper, Janet Singler. Janet does an outstanding job for RLC!!

Q10. Will there be an audit of our books for 2022?

Yes. The audit for 2022 will take place in the first quarter of 2023 and the results presented to the Finance Committee by the Audit Committee in the second quarter of 2023.

Q11. I want to make the best giving decision that I can for the church, what guidance can you provide? Specifically the % to our operating budget and the % to the mortgage.

You are encouraged to give where your heart leads you. A general guideline would be 90% to the operating and 10% to the mortgage fund. Funds can be moved from Operations to help pay the mortgage (with Church Council approval.) However, the mortgage fund is a dedicated fund and we can only use these funds to pay the mortgage.

Q12. Please give me an update on our mortgage.

As of September 30, 2022 (the most recent statement available), our mortgage balance is \$ 742,519.14. Our monthly mortgage payment is \$18,263 and we originally borrowed \$3 million dollars in 2010 at 3.5%.

Q13. Please explain what the church has done regarding the PPP loans.

Resurrection received a Payroll Protection Program (PPP) loan for \$312,770 on May 1, 2020. In December 2020 we filed the application for forgiveness of the loan. The loan was forgiven by the Small Business Administration on 1/25/2020.

We applied for a second PPP loan on 2/11/2021 and received approval for the loan on 2/13/2021 for \$286,360. We received Small Business Administration approval for loan forgiveness on 12/24/2021. We have no liability left for either of these two loans.

Q14. I would like to dedicate a brick to a loved one, to be placed in the Memorial Plaza. Can we still do that?

Yes, talk to either Nova Hinrichs or Kristina Randolph in the church office for the details.

Q15. Is COVID still impacting enrollment at the Child Development Center (CDC)?

Yes and no – we have been steadily increasing enrollment in 2022 and are almost back to pre-COVID enrollment.

Q16. What's new at the CDC?

This past year, we have added two smart boards (interactive white boards), additional outside classroom equipment and a new commercial refrigerator.

Q17. How often do our Church Council and Finance Committee meet?

The Church Council and Finance Committee meet on a monthly basis. However, more often if needed to address needs of the church.

Q18. In layman's terms, tell me about what the proposed 2023 budget looks like?

We have budgeted to increase current fund revenue by 10% from 2022 to 2023. We believe that is a challenge but achievable goal. To achieve it, we need to increase revenue from all sources: new members, on-going members who have not pledged in the past and on-going givers. We are thankful and believe that we will end 2022 fully staffed to meet the needs of the congregation.