

REPORT OF THE BUDGET AND FINANCE COMMITTEE  
**RECOMMENDED BUDGET 2017**

Before any discussion of dollars, it is always important to remember that a Budget is so much more than money. It reflects priorities, incorporates plans, and provides opportunities for worship, learning, fellowship, witnessing, and serving.

**Recommended 2017 BUDGET - Totals \$651,845**

Increase of 15% (\$84,445) over 2016 Adopted Budget  
Budgeted Giving 2017 over 2016 – increased by \$55,857 or 15.4%  
Maintains all existing positions and programs  
Includes \$76.5K toward Patio Improvement Project (Special Funds)  
Balanced with projected 2017 income and Designated Funds  
No reliance on Reserve funding

**Challenges for the 2017 Budget:**

- Funding positions supported in 2016 by memorial gifts or other special funding. (Children Youth and Family Ministry Director, Pastor Assistant, and Children's Choir Director).
- Seeking growth in giving to respond to increased needs. While expenditures would not necessarily show large increases, the budget would shift to greater dependency on regular operating income or giving.
- Planning for facility improvements to the Patio.
- Maintaining adequate reserves to support both the regular budget and a construction project.

**Blessings heading into the Budget:**

- The 2016 Budget year ended with actual regular giving totaling more than \$17,000 over what was budgeted. This demonstrated joyful support of the church and immediate congregational response to some of the challenges shared during the fall Stewardship Campaign.
- Even better news is the fact that **2017 giving is projected to increase by \$55,357** over the 2016 Budget based on pledges and realistic projections. With a few more pledges than the prior year, the real change is an increase in the average amount per giver.
- A grouping of Memorial Funds set aside several years ago, commonly referred to as "Special Funds", have funding available to begin the Patio Improvement project depending on construction estimates. (Holk Trust, Nast and McMurray Memorials)

**Highlights of the 2017 Budget:**

- Reflects a nearly 15% or \$84,445 increase over the 2016 Adopted Budget. This follows several years of declining budgets.

- The total Budget is supported 70% by Unrestricted Income (general giving, interest and facility use) and 30% by Restricted and Designated Income (special gifts, fund raising, fees, designated funds and memorials). The budget without the capital improvement project is 80% supported by Unrestricted Income.
- As has been our practice, the **Benevolence** allocation has been increased by 1%.
- At the direction of the Church Council, regular staff has been given a **2% cost of living pay increase**. It has been several years since there has been any ability to modify employee salaries and this increase is possible within available income. Due to other savings, there is no increase to the total expenditure for the Salaries and Benefits.
- **Operating Expenses** have increased in several areas most notably in Outside services. Transition to QuickBooks Online late in 2016 has allowed direct access to financial information by a greater number of persons. This will assist in financial management for both staff and volunteers.
- Program categories of Learning and Youth, Worship and Music, Fellowship, Service and Missions, and Caring are all budgeted close to the amounts budgeted in 2016. Many programs receive additional support during the year from Make Bake Celebrate and Endowment funds.
- **Endowment** expenses and offsetting income are higher in 2017 due to carryover funds.
- **Patio Improvement Project** represents \$76,515 of new expenditures – fully offset by “Special Funds”. This amount represents the full amount of remaining Special Funds. The construction estimate for the project was not yet available and may require further funding review at a future date.

### **Not included in the Budget for 2017:**

- Funding was not available to recommend requests for Pew Reconditioning (\$25,000) or the construction of a new Storage Shed (\$20,000).

### **Reflections from the Committee:**

1. The growth in giving represents an encouraging investment in the church by the members. Our other gifts are equally important is supporting the programs and ministries since many operate with minimal budgets. Time, talent, energy, encouragement and prayers go a long way to further the work of the church.
2. The church’s finances are not meant to be a mystery and we strongly encourage anyone with an interest to join the committee, ask a question, make a suggestion or become involved in some other way.
3. By careful stewardship and the thoughtful use of financial gifts, we work to honor God and the givers.

*Mount Cross Budget and Finance Committee 2016*

*Karen Gramacki*

*Herb Holler*

*Keith Selbrede, Treasurer*

*Susan Prosser, Chair*