

# Finance Update

By Jack Dahlby, Treasurer

As Treasurer of the congregation, one of my commitments is to keep you informed about our financial status. Normally you will see an update in the monthly newsletter. But I asked for the opportunity to send this special edition newsletter to allow additional space to cover a number of topics.



Mission Statement: **To grow in faith through Christian community for Christ's Service.**

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## Fiscal Year Ending June 30, 2011

We can confidently say that if giving continues at the current levels and if other income comes in as expected, we will finish the 2010-2011 fiscal year with income and expenses in balance.

This has been a difficult year for the last year's Church Council and for church and school staff. Income from tithes and offerings has been running behind budget requiring tough choices to be made. Staff salaries were

frozen again, and other opportunities to save on expenses have been aggressively pursued. Year-to-date expenses are running \$68,000 below budget.

The really good news is that the trend for tithes and offerings has been turned around so that we can move toward being in balance at year end. At the end of February we were **4% behind** 2010 year-to-date giving. At the end of April we were **5% ahead** of 2010.

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## What About Next Year—Fiscal year July 2011 to June 2012?

As most of you know, when we entered the budgeting cycle for next fiscal year, it looked like we would need to cut back on significant portions of our ministry in order to be able to have a balanced budget. At congregational forums, we looked at possible cuts in our school, in our music ministry, in staff benefit plans, and even in our benevolence which supports the synod, the ELCA, and worldwide ministry.

The response from the congregation was loud and clear: "Do not cut back in these areas!" Instead, the message was to have faith

and that we will be able to provide the funding needed for our current level of ministry. What we do here at St. Paul's is too important to the lives of all we touch to continue cutting and pulling back.

This response was not just talk. Several families committed to increase their giving of tithes and offerings. And parents from the school committed to raise \$25,000 to help fund the school next year. A group called "Our Heritage Our Future" was formed to raise these funds for the Annual Fund.

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## The Budget That Was Passed

With the response from the congregation clearly in mind, a the budget was developed and approved at the Annual Meeting. Here are the highlights:

### Income

- Tithes and Offerings are projected at 5% above 2010 giving levels.
- School tuition is based on a 7% increase per student over last year.
- The Annual Fund income was increased from \$78,000 to \$100,000.

### Expenses

- Benevolence remained at 10% of Tithes and Offerings for the Synod and ELCA and 1% for Ministry Partnerships.
- Budget for salaries was increased by 3%.
- Benefit plans including things such as health insurance, were projected to increase by almost 7%.
- Expenses for program ministries and administration were decreased by 16% compared to prior year's budget.

**Net Budget:** Expenses are projected to exceed income by \$68,228

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## Good News

The initial response to the school fundraising has been amazing. The purpose of the “Our Heritage Our Future” group was to raise \$25,000 for the Annual Fund. This effort has already raised enough money to exceed the budget by over \$20,000.

**This extra \$20,000 plus the trend in tithes and offerings allows us to now project that the \$68,228 gap in our budget may be reduced to about \$48,000.**

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## We Ask God to Help Us

It is gratifying that St Paul’s congregation has chosen to trust God to help us as we face the year ahead without knowing where all of our funding is coming from. Jesus tells us time and time again that we spend too much of our energy worrying about tomorrow. He wants us to enjoy life and be able to focus on things that are more important than worrying about our daily bread.

As we ask God to help us, we need to remember that there are two key words in the

sentence. We ask **God** to help **us**! As we pray for God’s help we need to consider how God’s answer to our prayers might involve each of us. We invite God to work through us.

As members of the congregation and the school parents have stepped forward to offer additional gifts of money and of time spent in fundraising activity, it is evident that our positive action along with God’s help is already making a difference.

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## The Remaining Funding Gap

While there is good news in what that has been accomplished so far, as your Treasurer, I need to remind you that we still need more positive action. We need to keep looking for about \$4,000 per month. Here are some ideas:

1. **Consider increasing your regular giving to the church.** We’ve already seen an increase to a plus 5%. To close the gap through tithes and offerings we need to get closer to 10% increase. If enough families can respond, and if we start early in the year, increases of \$2 to \$5 per week could close the gap.
2. **Consider using Simply Giving**, which makes regular electronic giving easy, even when you can’t make it to church.

3. **Give by using gift cards from the Scrip program.** Regular use of these gift cards can really add up. As an example, if a family spends \$100 a month on gas and \$200 a month on groceries using gift cards, they can generate as much as \$16 per month for St. Paul’s Annual Fund. If 100 families did that for a year, St. Paul’s could receive over \$19,000 from those gift cards. The best part is that when you buy a gift card, you get to spend all of the face amount of the card. All it costs is a little time to stop at the Scrip table on Sunday mornings.
  4. **Designate your “Thrivent Choice Dollars” to St. Paul’s Church.**
  5. **Continue to support fundraising for the Annual Fund.** Generous support for our school ministry helps keep our total budget healthy.
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## Thank You

While there is a funding gap to deal with, we do not want to lose focus on all the ways we have been blessed and how we are being a blessing to others.

Thank you for all you do and all that you are that blesses us as a congregation and supports the ministry we share. Your gifts of time, your

financial support, and the gift of your presence enrich our ministry and make a real difference in the physical and spiritual lives of people. There is so much happening at St. Paul’s that it’s hard to imagine all the ways that we are making a difference. Thanks be to God.

Jack Dahlby, Treasurer

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