

### **3Q Financial Summary**

- Our revenue has been very healthy. Year to date, we have received \$436K. This is significantly better than the budget had anticipated, \$390K. We thank everyone for their generosity.
- Our expenses have been slightly below budget. We had budgeted for \$431K through the first nine months and have spent \$420K. We thank the staff and committee chairs for prudent spending. We know that there are still a number of purchases for the balance of the year.
- The leaves the church with a \$16K surplus for the first three quarters. Furthermore, certain building expenses should have been accounted for in 2018 and were not, meaning that our true surplus for 2019 is over 20K. This is very healthy for a congregation as we head into the final months.
- Based on this financial health, Council did approve increasing the Admin/Communication staff person, Deanna Wyand, from 25 to 30 hours per week. The budget had included potential for staff hour increases. Council also voted to hire a nursery attendant; after a hiring and training process this person resigned.

### **Capital Campaign**

- The final project of the capital campaign has been approved – paving the back lot. We have paid the initial deposit \$25,000 and have money (just shy of \$50,000) for the remainder of the project. We are hoping to complete this in 2019, but weather may not allow this.
- We thank everyone for their generous contributions over the past five years. During that time we accomplished many important maintenance projects:
  - Covered the asbestos tiles
  - Redid 7 bathrooms
  - Paved the front and back lots
  - Resealed the stained glass window
  - Re-built and cleaned the stone wall surface around the sanctuary
  - Installed new doors around the church
  - Eliminated \$130,000 of debt (some of which was capital campaign)
  - Replaced the main boiler

### **Pledges for 2020**

- Overall the amount of pledged money to St. Paul has dramatically increased from \$362,000 to \$419,000.
- We received 126 pledges. 33 people began or renewed pledging (19 people stopped pledging).
- We thank everyone for their commitment to St. Paul.

## **Zion Akron Update / Impact on Budget**

- The Council of St. Paul and Zion Akron met on November 5 to discuss our continued cooperation and possible merger. Pastor Dave Fisher, who recently became a member of St. Paul, led the discussion. Pastor Fisher served on synod staff for a number of years as the liaison to the churches in the North Lancaster area and knows both congregations well. The topics discussed were two reports
  - Pr. Rob Myallis led a team of people from both churches in creating a report on integrating finances, governance and other assets in a possible merger.
  - Pr. Matt Lenahan led a team of people from both churches in creating a report on integrating the people and ministry in a possible merger.
- Both churches are in stable financial condition, with neither having debts. Zion Akron has a fair amount of cash because their recently sold a rental property.
- That said, it became clear during the conversation that moving from cooperation to full-blown merger (of finances, assets, governance, etc) will take some time. The next steps is building relationships and common ministry, not merger of finances. Therefore, the 2020 budget for St. Paul assumes that there will be no merger completed in the next 12 months.
- The councils will meet in January of 2020 to identify ways in which we can continue to cooperate (e.g. Peter's Porch, Youth Ministry, Wittle Farm)
- Furthermore, Pr. Matt will be paid to serve as a liaison to the Mission and Outreach committee in 2020. Matt will also be starting house churches that will include St. Paul members. In addition, Matt will lead our Green Team efforts of using our "backyard" as a tool for ministry.

## **Audit 2019 & Finance Changes for 2019**

- Pam Formica led a team of Debbie Herr and Kevin Martzall in overseeing an internal audit. Their 29 page report included a number of actionable items to help tighten our financial control environment. We thank the Audit Sub-Committee for their work and look forward to implementing their suggestions in the coming year(s).
- We hired Stephanie Risser to work as our financial assistant. We thanked Kim Swinko for filling in the past 11 months and helping to train Stephanie. We came to realize that we needed an employee who could work during the day.
- We also moved bank accounts from Fulton to Jonestown Bank. We felt the online system was easier, the fees were lower and we could more easily earn interest our account balances.
- We also moved to a web-based accounting, giving and people management software. This is with the same company so the data-migration was smooth.
- Yes, you read that correctly. This fall we hired a new staff person, switched banks and accounting software. If you didn't notice, you can thank our treasurer for making it smooth.

## Council Approved Budget 2020

### *Highlights*

- The budget fulfills the budget requests of every budget area owner.
- The budget anticipates a surplus in 2020, building on an expected surplus of 2019.

### *Revenue Assumptions*

- The revenue growth is anticipated at 4%. This is lower than previous years' growth and very conservative given that we are finishing a capital campaign. We project 2019 income to be \$591,000 and 2020's income to be \$627,325.
- The CELC will contribute \$27,500 to the church this upcoming year. This past year including a revision of the Church-CELC agreement to include 3 people from the church serving on the guidance committee of the CELC.

### *Process*

- Stan Sneegas, the treasurer solicited input from the staff and committee chairs in late October. He met with each budget owner to discuss their requests. We thank Stan.
- He presented a budget on Nov 12, first to the finance committee and later the church council, who approved it. The finance committee walked through each budget area, recommending a few small changes that are included in the approved budget.
- On Sunday, Dec 8, Stan will offer a budget discussion meeting for those who wish to review the budget in greater depth.
- On Sunday, Dec 15 there is a congregational budget meeting. This will take place after each worship service.

### *Money Beyond our Walls*

- In our budget, you may notice that there isn't very much of an increase in Mission and Outreach. This might give the impression that outreach is not crucial to our church. A few things:
  - This year we are going to pick up nearly ¼ time of Pastor Matt Lenahan's time. Pr. Matt will be paid to serve as a liaison to the Mission and Outreach committee in 2020. Matt will also be starting house churches that will include St. Paul members. In addition, Matt will lead our Green Team efforts of using our "backyard" as a tool for ministry.
  - This summer we will increase money available for children to attend Lutheran Summer Camps. We also budgeted for youth summer mission trips.
  - Our buildings and grounds is one of the biggest resources for outreach. Each week we house CELC children, Scouts, Toys for Smiles toy shop and the Warwick/Lititz Community Chest.
  - This amount does not include the numerous other dedicated offerings and the grants from the Endowment.

### St. Paul 2020 Budgeted Expenses

Expense Area	2019 Budget	2020 Budget
Traditional Music	\$14,950	\$10,355
	<i>Note: This budget area decreased because last year we had more-than-typical work done on the organ. Furthermore, some expenses moved from this category into admin.</i>	
Contemporary Music	\$4,650	\$4,350
Worship Support	\$5,305	\$5,448
Children, Youth and Family	\$12,525	\$15,880
	<i>Note: This budget area increased because we have more kids in the program (including more camperships for children!). We are also hoping to offer a larger summer mission trip for youth.</i>	
Family Life	\$3,650	\$3,650
Mission and Outreach	\$26,200	\$27,350
	<i>Note: This budget area increased slightly because we slightly increased our contribution to the Synod and ELCA (to \$16,000). We also shifting more resources toward the Swanson family, the missionaries we support in Tanzania. Mission and Outreach here does not include the various extra offerings to mission partners and charities throughout the year.</i>	
Salaries and Benefits	\$352,136	\$371,473
	<i>Note: This budget area increased significantly. Beyond some increases in wages and hours, 2020 includes an extra pay period because of the calendar.</i>	
Administration	\$28,685	\$36,900
	<i>Note: This budget area increased for three reasons. First, we were not budgeting enough for paper. Second, some expenses from worship now fall under here. Third, there were some office and administrative needs (internet, e.g.) that we did not address in the past years that are in need of upgrade.</i>	
Buildings and Grounds	\$112,420	\$120,420
	<i>Note: This budget area increased because we continue to want to address long-term maintenance issues of our building.</i>	
Other Expense	\$6,700	\$7,700
	<i>Note: This budget area increased because after a six-month long internal audit, an external audit will now be worthwhile.</i>	
Governance	\$1,850	\$2,350
	<i>Note: This budget area increased because we needed to budget for synod convention delegates.</i>	
<b>Total Budget</b>	<b>\$ 569,071</b>	<b>\$ 605,876</b>

