

# **Resurrection & Life Lutheran**

Financial Outlook & Budget Summary

*June 6, 2019*

# Resurrection & Life Lutheran

## 2018-19 – Current Financial Outlook

	2018-19 BUDGET	Outlook Projection	Difference	Highlights
<b>INCOME</b>				
Church Offerings	\$1,084,025	\$995,513	(\$88,512)	Lower offerings (Some member relocations; change in financial situations)
Grants/Endowments/Special Donations	\$0	\$26,032	\$26,032	Funds applied to help cover portion of Tuition Financial Aid and Subsidies
Preschool Tuition	\$95,625	\$65,000	(\$30,625)	Lower enrollment than planned (Mostly part time students)
School Tuition	\$273,250	\$243,359	(\$29,891)	Limited funding sources for Financial Aid & Called Worker Child Tuition Subsidy
School Affiliate Support	\$81,420	\$66,047	(\$15,373)	Lower area congregation enrollment and lower congregation support %
<b>TOTAL INCOME</b>	<b>\$1,534,320</b>	<b>\$1,395,951</b>	<b>(\$138,369)</b>	
<b>EXPENSES</b>				
Church Compensation	\$377,730	\$353,730	\$24,000	Savings due to Pastor Bitter vacancy
Preschool Compensation	\$107,135	\$97,083	\$10,052	Savings due to Polly Bitter (Director) vacancy
School Compensation	\$667,830	\$654,011	\$13,819	Supplemental 2nd Grade Teacher verses full time/full benefits teacher
WELS Mission	\$117,155	\$99,551	\$17,604	Tied directly to actual Offerings (10%) - If Offerings down, Synod support down
Evangelism/Assistance/Parish Ed	\$17,650	\$12,948	\$4,702	Limited spending on Parish Education materials
Church Operating Expenses	\$180,220	\$178,883	\$1,337	Lower, however, specific areas came in higher than normal (Snow, Utilities)
School Expenses	\$41,600	\$46,830	(\$5,230)	New curriculum spending (working to standardize across classes)
Replenish Reserve Account	\$25,000	\$0	\$25,000	Not being funded out of UB; This is handle as separate funding appeal
<b>TOTAL EXPENSES</b>	<b>\$1,534,320</b>	<b>\$1,443,037</b>	<b>\$91,283</b>	
<b>NET INCOME or (LOSS)</b>	<b>\$0</b>	<b>(\$47,085)</b>	<b>(\$47,085)</b>	Lower than expected income driving shortfall.
<b>RESERVE ACCOUNT</b>		<b>\$19,232</b>		
<b>REMAINING SHORTFALL:</b>		<b>(\$27,853)</b>	This amount will be left on our Line of Credit Loan and carried into next fiscal year	

### Why the dramatic change in income?

- A few strong giving families have relocated or had a change in financial situation
- Membership growth over years has not seen growth in offerings
- Portion of donations shift to non-Unified Budget (Debt Reduction/Capital Improvement, Reserve)
- Limited funds dedicated for Tuition Financial Aid and Called Worker Child Tuition Subsidy
- Lower enrollment in Preschool than desire
- School enrollment staying about same over past year (growth offset by other relocating families)
- Area congregation school enrollment down; area congregation support continue to decline

### What plans are in place to address shortfalls?

- Conduct Cottage Meetings in new fiscal year to reach out to household to share vision and ministries, and collect feedback from members
- Focus on Financial stewardship in September across congregation
- Continue School marketing strategies in reach out to new families and students
- Launch phase 1 of Learning Center focused on growing Preschool and before/after/Summer care programs
- Trust in our God! He is the one working through each of us to reach and nurture souls. Our plans are not perfect, but God will determine what will be accomplished.

# Resurrection & Life Lutheran

## 2019-20 – Proposed Budget

### New Fiscal Year Key Changes

#### CHURCH

- Life mortgage (debt) added back to Unified Budget (\$72,374)
- Capital requests removed from Unified Budget (*fund out of Debt/Capital Improvements fund*) (\$30,000)

#### SCHOOL

- 2<sup>nd</sup> Grade Teacher now full time (*Supplemental no benefits last year*) (\$18,200)
- Added part time upper grade teacher (\$28,883)
- Curriculum increases (\$3,000)
- Marketing Strategy and Web Tech Support addition (\$23,400)

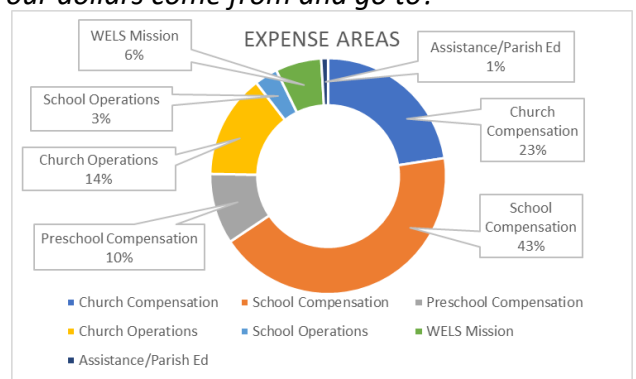
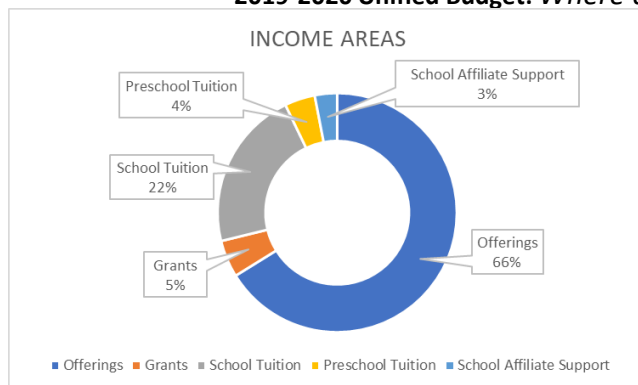
#### PRESCHOOL/LEARNING CENTER

- Added Learning Center Director, offset by the Learning Center Grant funding (\$80,573)

#### CONGREGATION

- Compensation revised on Synod calculator; average salary increase of 2 ½% (\$12,888)
- Congregation funding support for school tuition changed from 75% down to 65% (\$68,600)
- Added budget income line for School Financial Aid. Financial Aid amount set by School Board and funded from donations received from gala event.
- Affiliate Support adjusted (*COR 50% for Called Worker, \$5k for rest; GRACE down to 15%; lower enrollment for ASC*)
- Offerings 8% increase based on current fiscal year projection

### 2019-2020 Unified Budget: Where do our dollars come from and go to?



- **Offerings** support the mission and ministries. A portion of offerings support Resurrection & Life children attending school. The congregation covers 65% of the cost to educate for Resurrection & Life members.
- **Preschool & School Tuition** is the specific amount received from parents. Resurrection & Life Member parents currently pay 35% of the cost of educate. Area WELS members pay approximately 50% of the cost to education.
- **Affiliate Support** is the financial support we receive from Rochester area WELS congregations (Ascension, Christ Our Rock, Grace). This based on their number of students in school. Area congregations provide about 50% support to their members who attend Resurrection school.
- **WELS** funding goes to support our Synod. The budgeted number was set based on 10% of our Offering budget. The view shows that WELS mission is 6% of our overall expense budget; however, it is specifically set to 10% again just the Offerings (not including tuition and grants)
- **Compensation (Staffing & Benefits)** is 76% of Expense Budget.

# Resurrection & Life Lutheran

## 2019-20 – Proposed Budget

	2018-19 PROJECTION	2019-20 BUDGET	Budget vs. Projection	
<b>INCOME</b>				
Church Offerings	995,513	1,075,596	8%	80,083
Grants/Endowments/Special Donations	26,032	81,000		54,968
Preschool Tuition	65,000	66,125	2%	1,125
School Tuition	243,359	349,125	43%	105,766
School Tuition Financial Aid	0	15,000		15,000
School Affiliate Support	66,047	48,750	-26%	(17,297)
<b>TOTAL INCOME</b>	<b>1,395,951</b>	<b>1,635,596</b>	<b>17%</b>	<b>239,645</b>
<b>EXPENSES</b>				
Church Compensation	353,730	381,158	8%	27,428
Preschool Compensation	97,083	163,728	69%	66,645
School Compensation	654,011	727,938	11%	73,927
WELS Mission	99,551	107,560	8%	8,008
Evangelism/Assistance/Parish Ed	12,948	15,950	23%	3,002
Church Operating Expenses	178,883	236,075	32%	57,192
School Expenses	46,830	53,900	15%	7,070
Replenish Reserve Account	0	0		0
<b>TOTAL EXPENSES</b>	<b>1,443,037</b>	<b>1,686,308</b>	<b>17%</b>	<b>243,271</b>
<b>NET INCOME or (LOSS)</b>	<b>(47,086)</b>	<b>(50,712)</b>		
<b>RESERVE ACCOUNT</b>	<b>\$19,232</b>			
<b>LINE OF CREDIT LOAN</b>	<b>(\$27,854)</b>	This amount will be left on our Line of Credit Loan and carried into next fiscal year		

Offerings increase - grow financial stewardship  
 Grant to offset Learning Center Director expense  
 \$55k confirmed, anticipate more  
 65% support; increase enrollment  
 New line item to track funds to cover financial aid  
 Decrease in support

Projection was lower due to Pastor vacancy (March-June 2018)  
 Director portion offset by Grant  
 Supplemental staff to Full Time; add Part Time; Salary Increases  
 Direct tie to 10% of offerings  
 Lower spending in past year  
 Life Mortgage put back into Unified Budget  
 Curriculum; Marketing, Web Tech Support  
 Remove; replenish not part of UB

### OPTIONS TO ADDRESS GAP

- Pastor vacancy savings (\$6,500 per month; 6 months = \$39,000)
- Increase school enrollment (\$2450 per R&L Student; 4 students = \$9,800)
- Additional Increase offerings over 2018-19 projected actuals (1% = \$9,950)
- Reduce/Find less expensive Janitorial Services
- Miscellaneous cut backs across budget

Line of Credit Loan (\$27,854) will carry over to 2019-20. We will continue to have cashflow issue.

# Resurrection & Life Lutheran

## 2019-20 – Proposed Budget

### School (K-8) Tuition Income Calculation

2019-20	Students	% By Congregation	Cost To Educate	Congregation Support Per Student	Parent Portion per Student	Total Income	Income from Congregation	Income from Parents
<b>Total</b>	<b>124</b>	<b>100%</b>	<b>\$ 7,000</b>			<b>\$ 868,000</b>	<b>\$ 495,700</b>	<b>\$ 372,300</b>
Res	98	80%	\$ 7,000	\$ 4,550	\$ 2,450	\$ 686,000	\$ 445,900	\$ 240,100
COR (non-CW Families)	5	4%	\$ 7,000	\$ 5,000	\$ 6,000	\$ 35,000	\$ 5,000	\$ 30,000
COR (Called Worker)	3	2%	\$ 7,000	\$ 3,500	\$ 3,500	\$ 21,000	\$ 10,500	\$ 10,500
Ascension	7	6%	\$ 7,000	\$ 3,500	\$ 3,500	\$ 49,000	\$ 24,500	\$ 24,500
Grace - Oronoco	5	4%	\$ 7,000	\$ 1,050	\$ 5,950	\$ 35,000	\$ 5,250	\$ 29,750
Other/Non (Partial Tuition)	1	1%	\$ 7,000	\$ 4,550	\$ 2,450	\$ 7,000	\$ 4,550	\$ 2,450
Other/Non (Full Tuition)	5	4%	\$ 7,000	\$ -	\$ 7,000	\$ 35,000	\$ -	\$ 35,000

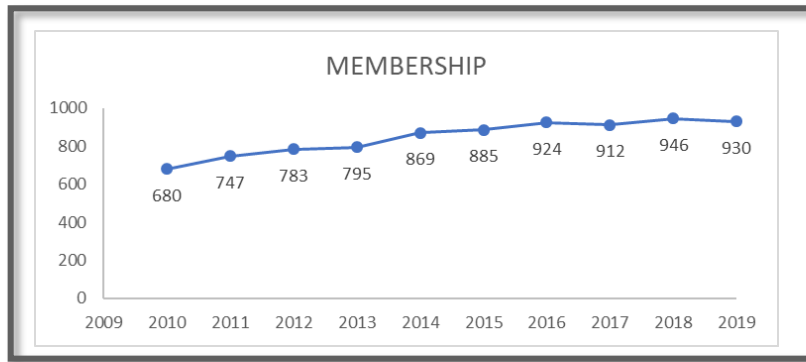
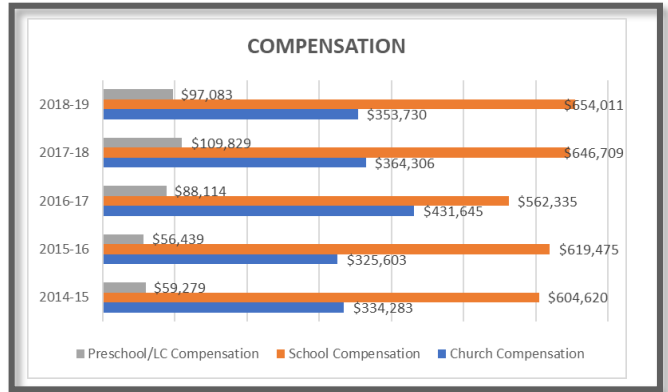
### Preschool Tuition Income Calculation

2019-20				
PROGRAM	COST	STUDENTS	INCOME	TOTALS
Half Day (2 Days) T TH	\$170	0	\$0	
Half Day (3 Days) M W F	\$225	0	\$0	
Half Day (4 Days)	\$280	0	\$0	
Half Day (5 Days) M - F	\$330	0	\$0	
Full Day (2 Days) T TH	\$285	0	\$0	\$0
Full Day (3 Days) M W F	\$390	3	\$1,170	\$10,530
Full Day (4 Days)	\$515	0	\$0	
Full Day (5 Days)M - F	\$635	7	\$4,445	\$40,005
<b>TOTALS</b>		<b>10</b>	<b>\$7,185</b>	<b>\$50,535</b>
<b>Extended Care</b>				
AM (3 Days)				
AM (5 Days)				
PM (3 Days)	\$100	3	\$300	\$2,700
PM (5 Days)	\$100	3	\$300	\$2,700
<b>TOTALS</b>				<b>\$5,400</b>
				<b>\$55,935</b>

### Tuition Subsidies

Called Worker Child Tuition Subsidy		
Called Worker	K-8	K8 Subsidy
Watson	1	\$1,225
Luepke	3	\$3,675
Sawyer	1	\$1,225
Renner	1	\$1,225
Mateske	1	\$1,225
<b>TOTAL</b>	<b>7</b>	<b>\$8,575</b>
Koelpin	4	\$4,900
Meyer	4	\$4,900
<b>TOTAL</b>	<b>8</b>	<b>\$9,800</b>
<b>GRAND TOTALS</b>	<b>15</b>	<b>\$18,375</b>

# Historical Views



# Household Giving

What are the ranges of giving across congregation?

