



Gathered to Grow Sent to Shine

Zion 2023

Budget Discussion



2022 Update

- ▶ We have not closed 2022 and can therefore not give a year end statement
- ▶ Kari has completed training in Realm and is working very hard to get the books closed. We were very fortunate that Shannon had everything up to date prior to her last day.
- ▶ We will let the congregation know our year end results as soon as that information is available
- ▶ We benefited again from two very generous unrestricted gifts which have helped us maintain our cash reserve
- ▶ We did not need to use the line of credit during 2022



Budget development priorities

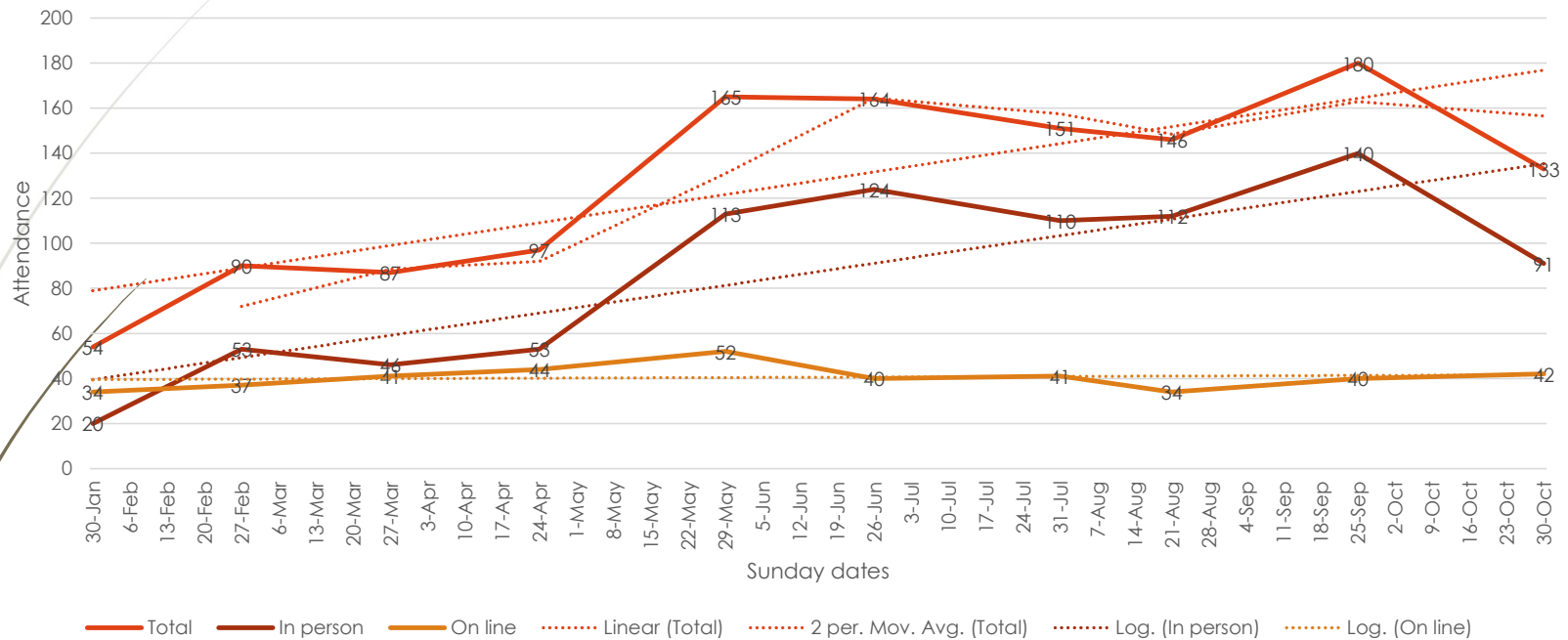
- ▶ Support Pastor Lutz in her transition
- ▶ Maintain the staffing level we had at the end of 2022 and to.
- ▶ Pulpit supply and pastoral care support to assist Pastor Smith



Income Assumptions

- ▶ Plate and offering income assumes same dollar amount as 2022 actual experience
- ▶ Rental income assumes full occupancy at current lease rates; we will need to be proactive in leasing an expected vacancy this summer
- ▶ We made no assumptions for miscellaneous income
- ▶ Removed registration fees for VBS to remove barriers for participation

2022 Attendance averaged 142 in person and online combined



Income

2022 Budget

- Envelope Giving: \$775,000
- Rental income: \$68,300
- Other income: \$23,580
- Total Income: \$867,060

2023 Budget

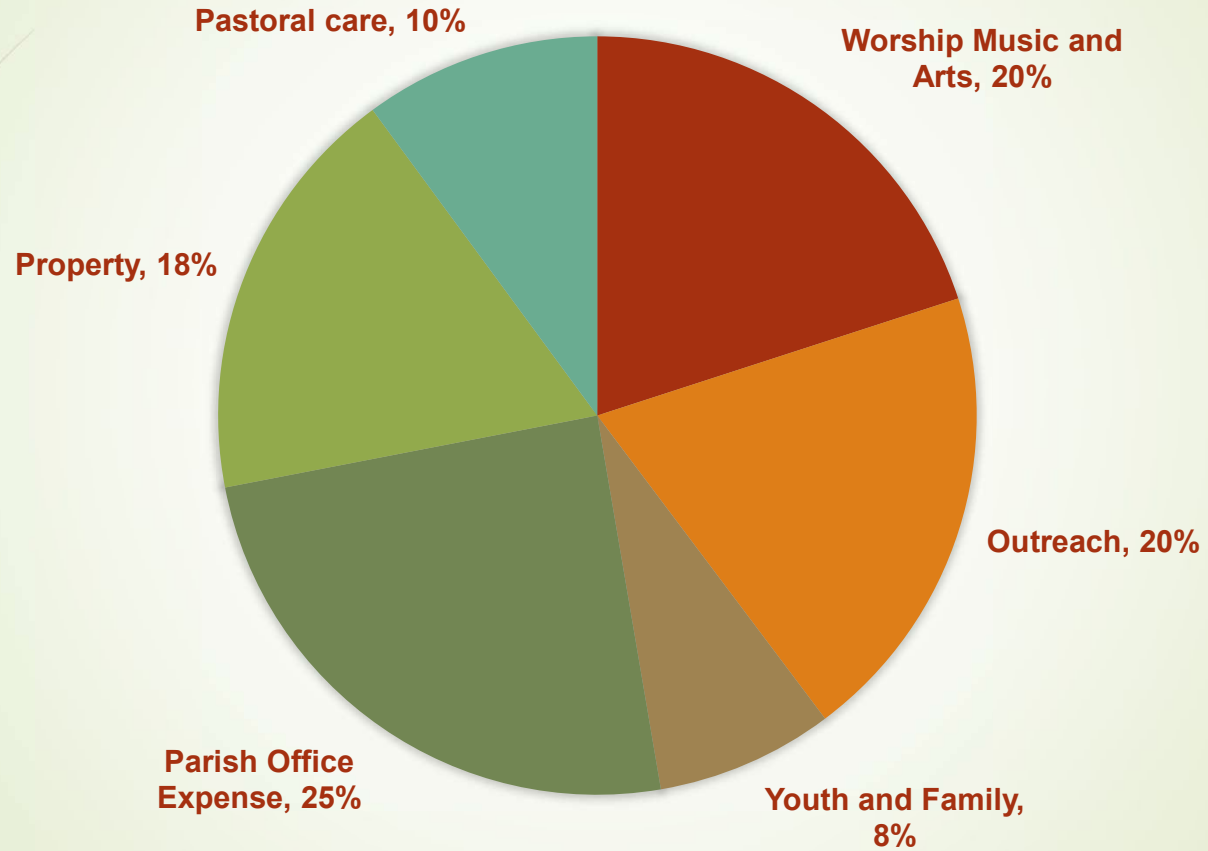
- Envelope giving: \$618,000
Decrease of \$157,000 (20%)
- Rental income: \$70,700
- Other income: \$18,580
- Total Income: \$707,480



Where do we spend our resources?

- Worship and Music
 - Outreach
 - Youth and Family
 - Parish Office
 - Property
 - Pastoral Care
-
- We will continue to work on distributing property expenses across these areas and to define our human capital given to these areas both in and out of Zion

ZION LUTHERAN CHURCH 2023 BUDGET BY PROGRAM AREA





Worship and Music: 20% of total expense

- ▶ Examples of non personnel expenditures include:
 - ▶ One License
 - ▶ Sheet music
 - ▶ Flowers
 - ▶ Alter decorations
 - ▶ Guild and Society memberships
 - ▶ Sundays and Seasons
 - ▶ Pulpit supply



Worship and Music: 20% of total expense

2022 Budget

➤ \$9,700

2023 Budget


➤ \$18,420

➤ Increase is for pulpit supply and pastoral care support

Outreach: 20% of total budget

Examples of non personnel expenditures include

- ▶ Southeast Iowa Synod
- ▶ Crisis Center
- ▶ Lambo Parish
- ▶ NAMI
- ▶ Alternative Christmas
- ▶ Habitat for Humanity
- ▶ Free Lunch
- ▶ Horace Mann
- ▶ Domestic Violence Project
- ▶ Social Justice
- ▶ Lutheran Campus Ministry
- ▶ Lutheran Chaplaincy Outreach



Outreach: 20% of total budget

2022 Budget

➤ \$118,050

2023 Budget

➤ \$102,350

Decrease of \$15,700

➤ SEIS giving is 10% of our plate and offering income which is \$61,800



Youth and Family: 8% of total budget

Examples of non personnel expenditures include:

- ▶ Sunday School
- ▶ Confirmation
- ▶ VBS
- ▶ Camperships
- ▶ Junior and Senior high programming



Expense: Youth and Family: 8% of total budget

2022 Budget

➤ \$22,350

2023 Budget

➤ \$13,150

Decrease of \$8,428

➤ Decrease is recognition of the smaller number of participants for VBS, Camperships, Jr. and Sr. High activities



Expense: Parish and Office: 25% of total budget

Examples of non personnel expenditures include:

- Bridge Builders
- Pastor mileage
- Audit
- Copier
- Postage
- Computer network
- Telephone
- ACH expense
- Photocopier
- Legal fees
- Paper



Parish and Office: 25% of total budget

2022 Budget


➤ \$47,926

2023 Budget

➤ \$54,406

Increase of \$6,480


➤ Purchase of new computer, Bridge Builders consultants, financial audit, lower attorney fees, lower pastor business expense



Property: 18% of total budget

Examples of non personnel expenditures include:

- Mortgage
- Insurance package
- Janitorial
- Yard maintenance
- Waste removal
- Building maintenance and repairs



Property: 18% of total budget

2022 Budget

➤ \$97,810

2023 Budget

➤ \$107,964

➤ Increase of \$10,154

➤ Replace roof (\$5,000)
on counseling center
and garage,

➤ increase utilities



Expense: Personnel

Distributed across other expense areas

2022 Budget

➤ \$476,365

2023 Budget

➤ \$404,373

➤ Decrease of \$71,992

➤ 2% Salary increase

➤ Flute, Bells, Brass, Youth Choir, Children Choir

➤ Pastor Lutz, 3 months sabbatical 2 months transition, accrued vacation

➤ 58% of expenses when not distributed



Total Expense

2022 Budget

➤ \$772,201

2023 Budget

➤ \$705,402

➤ Decrease of \$66,799



Bottom Line

2022 Budget

➤ \$94,859 profit

2023 Budget

➤ \$2,078 profit



Cash and Restricted Funds: August 31, 2022

- ▶ Total Cash: \$351,753
 - ▶ Restricted: \$147,411
 - Will use up to \$10,000 of building funds for roof replacement during 2023
 - ▶ Unrestricted: \$204,342
 - Will use \$35,405 for mortgage principal payments during 2023

Cash and Restricted Funds: August 31, 2022

Restricted Funds:

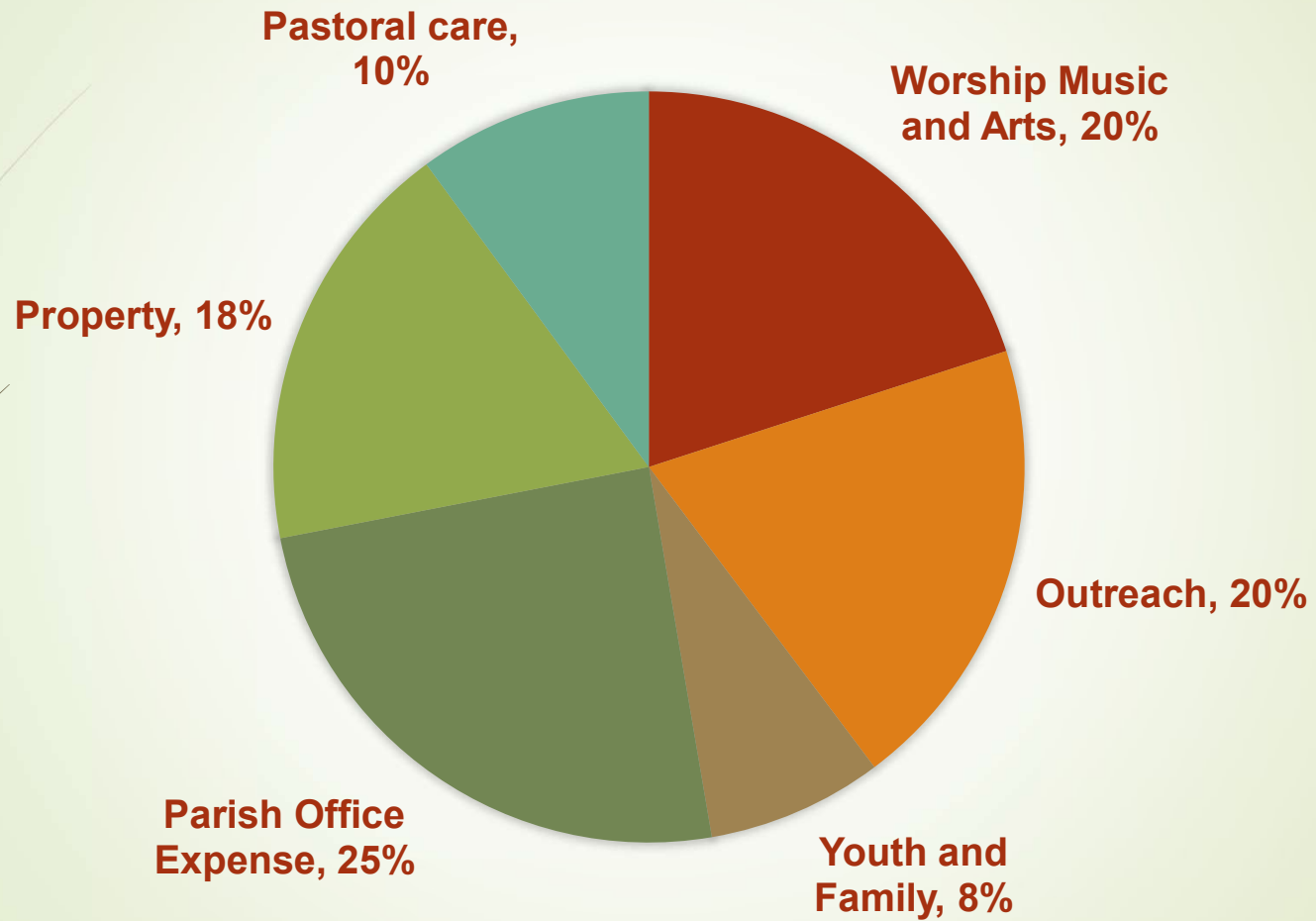
- Arts and Music
 - Bell Choir: \$491
 - Choir Fund: \$14,163
 - Music Memorials: \$1,901
 - Organ Preservation: \$98,157
- Building Related
 - Garden Club: \$5,611
 - Memorials: \$15,947
 - Solar Panel: \$3,621
- Mission Funds
 - Pastor's Discretionary: \$2,425
 - Lambo: \$550
 - Misc. Outreach: \$442
 - Mission Trips: \$1,391
 - Mission End Transfer: \$2,712



Cash used for mortgage principal

- ▶ Even though we have a small budgeted profit, we will use \$34,405 of cash for principal payments on our mortgage, causing our cash reserve to fall by \$33,327
- ▶ Current balance on the mortgage is \$316,000
 - ▶ Interest rate is 3.75%
 - ▶ Will renegotiate terms in November, 2025

ZION LUTHERAN CHURCH
2023 BUDGET BY PROGRAM AREA





GATHERED TO GROW

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