

## **A Few Thoughts on the 2016 Budget Proposal (from Pastor Doug)**

For anyone who missed our preparation session on this year's budget proposal, here are a few thoughts from Pastor Doug on where we stand. (The budget itself is the second to the last page of the annual report.)

**Income:** Income from member offerings has been slowly declining the last few years. This is largely a product of the aging of the congregation. While we have continued to take in new members, we have not been able to keep up with income lost from members who have died or become inactive due to health concerns. Starting at \$330,000 in 2014, we dropped about \$15,000 in giving from 2014 to 2015 and we have projected a similar drop in 2016 to a projected \$300,000 (based on both pledging and past giving patterns). We have raised some new money through building rentals and continue to look for new income sources.

**Expenses:** On the expense side, the finance team, staff and council have worked hard to reduce expenditures without reducing ministries. Some costs--insurance, utilities and the like have had minor increases largely beyond our control. The proposed budget has reduced expenditures overall just over \$20,000 from the 2015 budget (though they are up from 2015 actual).

**Bottom Line:** The bottom line is that the budget proposal projects a \$50,000 gap between income and expenses (in 2015 the budget had a \$38,000 gap though in actuality we ended the year with only a \$15,000 deficit). The council is proposing to make up this gap from several sources. Half the money would come from surplus from previous years (prior retained earnings). The other half, to the degree that we actually need it, would come from some dedicated fund accounts: \$14,600 from funds remaining in our road assessment fund (not needed) and then up to about \$5000 each from previous garage sale earnings and our Enduring Gifts Fund (we would have to make a formal request to the endowment committee). These are all Cross of Glory dedicated fund accounts that are not part of our regular budget income.

**Future:** Obviously, though, reserved funds won't last forever. The challenge for COG leadership now and in the future is to use our best wisdom in deciding how to use all our money on behalf of the Gospel. Unless the Spirit has a surprise in store for us (always possible!), we expect income to continue to decline as we lose some of our older members. We will have to continue to decide at what pace to draw-down reserves and at what point to reduce our staff and restructure our ministries. The church is changing rapidly across the country and it's difficult for any of us to know what shape it will take in the future. As much as I am a planner and like to have more control over such things, I am in any event confident that the Spirit is at work and the church is in God's ever-faithful hands!