

Lambrick Park Church

SGM Proposed Budget Explanation

August 2020

Hello Lambrick!

Thank you for taking this time to learn about our budget process and proposal and all that's behind it! The fact that you are reading this tells me that you care about our life together as a church. Thank you.

Wise financial stewardship is one of the many things that is vital to the health of Lambrick, and Wiseways (our childcare development centre). Without it, we won't survive! Thank you for caring enough to watch this video and learn more.

Lambrick's fiscal year runs from September through August, so *normally* we build our new budget in the spring and bring it to our membership at a Special General Meeting (SGM) in late May, early June. The last few months have been *anything but normal* so it has been important for us to take our time and not rush to any conclusions before we had a better sense of how finances are tracking and where they could be going.

With restrictions on gathering in person, we've decided to host our budget approval (SGM) in a hybrid fashion - both in person and over Zoom on Tuesday August 25 @ 7. In the coming days we'll let you how to register but, to help the meeting be effective and brief, we've created this video to bring you up to speed on how we've approached this budget and the key factors worth knowing. I hope you find it helpful! We have also attached the one-page budget summary as referred in the video, and a script of the video, for those who find it helpful to read along.

If you have any questions at all, please don't hesitate to contact the office. We would like to be sure we have answers for you! Thank you again for your time and faithfulness! Please, read on.

In Christ, Chris Berghuis, Board Chair

LAMBRICK PARK CHURCH

| | Budget FY20 | Budget FY21 |
|--------------------------|----------------|----------------|
| REVENUE | | |
| Received Offerings | 518,000 | 473,700 |
| Missions | | |
| Unreceiptable Offerings | 75,000 | 122,800 |
| Wiseways Rental | 80,000 | 80,000 |
| Other Revenue | 12,500 | 9,000 |
| TOTAL REVENUE | 685,500 | 685,500 |
| EXPENSE | | |
| Office Operations | 29,300 | 30,700 |
| Facilities | 123,600 | 118,082 |
| Vehicles | 1,000 | 1,000 |
| Personnel | 395,500 | 426,032 |
| Missions | 74,600 | 65,200 |
| Vision Ministries Canada | 5,000 | 5,000 |
| Professional Services | 12,500 | 12,500 |
| Sunday Ministry | 10,400 | 8,600 |
| Elders Discretionary | 1,500 | 750 |
| Lead Pastor | 1,500 | 1,350 |
| Worship Arts | 7,100 | 4,250 |
| Children's Ministry | 5,000 | 4,750 |
| Youth Ministry | 9,000 | 6,500 |
| Community Life | 11,100 | 8,550 |
| TOTAL EXPENSE | 687,100 | 693,264 |
| SUB-TOTAL | (1,600) | (7,764) |
| WW Transfer | 0 | |
| NET SURPLUS | (1,600) | (7,764) |

WISEWAYS

| | Budget FY20 | Budget FY21 |
|---------------------------|----------------|----------------|
| REVENUE | | |
| Wiseways Grants | 108,913 | 125,180 |
| Wiseways Tuition/Reg Fees | 429,625 | 491,200 |
| TOTAL REVENUE | 538,538 | 616,380 |
| EXPENSE | | |
| Personnel | 433,194 | 510,445 |
| Operations | 24,800 | 24,000 |
| TOTAL EXPENSE | 457,994 | 534,445 |
| SUB-TOTAL | 80,544 | 81,935 |
| Facility Use Commitment | 80,000 | 80,000 |
| NET SURPLUS | 544 | 1,935 |

TOTAL

| | Budget FY20 | Budget FY21 |
|----------------------|------------------|------------------|
| TOTAL REVENUE | 1,224,038 | 1,301,880 |
| TOTAL EXPENSE | 1,225,094 | 1,307,709 |
| NET SURPLUS | (1,056) | (5,829) |

OVERALL BUDGET SUMMARY

VIDEO SCRIPT

These past months & our priorities

First, it's important we share about these past few months. It's been mid-March since we have met as a congregation! Over 20 weeks now. This seems so long! Through all this time, our congregational giving has declined- though not dramatically – which has been an incredible gift – so, before anything else, let me simply say thank you to all of you who have given generously and consistently through this unexpected season.

Since the beginning of the pandemic, we – the Board, Finance Team, and Admin Director – have worked hard to practice wise financial stewardship – with priority given to:

- Resourcing our ministries
- Supporting our staff and missionaries and missional partners
- Working to support Wiseways as it navigated through closing, and then re-opening in a modified way – building its own plan for financial viability through this challenging season.

Fortunately, where appropriate, we have accessed available government funding – such as the employee wage subsidy, intern grants, and emergency grants for the operation of Wiseways.

Looking Forward

As we look forward, there are some real challenges to planning when so much is unknown... This is equally real for both our congregational life and for WiseWays.

For example:

1. How will many of us fair the economic challenges of this season? And how will this impact our shared giving?
2. What government grants will be available? How long and how much?
3. How will covid restrictions change (relax/Intensify) in the coming year? When and for how long? And how will this continue to affect the way we 'do church' – in big and small ways?
4. Will Wiseways stay open? Will registrations be full?

Assumptions

Amidst all the unknowns, we've done our best to take stock of what we do know (what trends we're seeing) and build our budget accordingly. Clearly, things could change – and if so, we will revisit our budget plans. That is our commitment.

But for the sake of developing a budget, we've had to make some assumptions amidst the uncertainties... So, we want to share these with you:

1. We're anticipating that our giving revenue will remain the same as budgeted last year, based on the consistent giving these past months.
→ So we're not projecting growth, nor are we projecting a drop.
2. We're working with an assumption that government restrictions for gathering will continue for at least six months, but will not increase, allowing Wiseways to remain open.
3. This budget anticipates that Wiseways will be up and running – with three fully booked classrooms operating for 12 months. This model means they'll be self-sufficient and contributing operating expenses to the organization.
4. We're assuming that only basic government funding will be available to Wiseways (i.e. there will not be a continuation of some of the extra funding that's been available in the early season of Covid).
5. We're anticipating that staff levels at Lambrick and Wiseways will be maintained (no significant additions).
6. Lastly, this budget is built with an expectation that unforeseen expenses will be minimal, and operational costs run as tightly as possible.

Proposing a “Rainy Day” Budget

Under normal circumstances, one of our commitments has always been to present a reasonable revenue forecast, and a balanced budget.

However, this year, you'll see we're proposing a modest overall deficit of just under \$8000 through the course of the year. We want to be clear that the Board and Finance Team recognize this is not a sustainable business model or precedent for future budgets. But we think it is appropriate for this coming year, for a few reasons.

1. Thanks to the generosity and faithfulness of many, our giving has largely been stable through an unstable time.
2. Additionally, emergency government subsidies have been available to assist with Wiseways operating costs, and to partially cover employee's wages when Wiseways needed to close and through a modified restart.
3. Thanks to these factors, and our frugal spending, we now have a moderate cash reserve as we step into a new fiscal year.
4. As the finance team reflected back to the Board through this process, this is the definition of a 'rainy day' scenario. Times like this are why we have reserves!
 - As a result, the Finance Committee and the Board are comfortable using reserve funds to make up this small anticipated deficit.

We have the means to do this this year, but are not embracing this as a precedent for the future. This is an austere budget – limited to vital ministries and expenses – reflecting the priorities we mentioned earlier: supporting our congregational life and ministry, support of our staff, missionaries and partners, as well as supporting the fruitful work of Wiseways.

We already have a rough plan in place should revenue decrease(or increase) and you have our commitment that the budget will continue to be very closely monitored.

The Board recognizes its responsibility to the community, the congregation, and ultimately to God, in stewarding our resources in the best possible way!

An Overview of the Actual Budget Proposal

So, let's talk about the budget we are proposing.

You can follow along on the budget summary sheet that's available on our website, and we'll have the page on screen while we're talking here as well.

Although Wiseways is ultimately a part of Lambrick, there budget is present separately in a simplified format.

First of all, let's look at Lambrick's budget, starting with the revenue line items. You'll notice that our overall revenue expected for this year is the same as what we anticipated last year. We've chosen this approach based on the fact that our revenue this last year tracked very closely to our projections, and even through Covid, giving has been very consistent the past few months.

You'll notice that we expect to receive revenue a bit different than last year; for example, since we can't pass the offering basket each Sunday, we receive fewer checks (receipted offerings), but more people now give online (much of which is "unreceipted offerings"). Regardless of the way it comes in, we anticipate our revenue will stay the same as last year at \$685,500.

- **Second: Expenses**

A quick overview – of a few areas worth noting.

Overall, we are running a pretty tight organization.

You'll see these first two lines are **Office Operations + Facilities**. These lines include things like our equipment leases, heat and hydro utilities, fire protection, and organizational insurance. Unfortunately, these costs change very little through times like this, and in fact, some, like insurance, are actually expected to increase. You may wonder about utilities since we have less congregational building-use, however with Wiseways fully functional, the bills for the facility are only reduced a little.

The next and most significant line is our **Personnel**.

This line includes all wages and benefits for Lambrick staff. You may notice that the overall personell line has increased from the last year. This does not reflect any wage increase for staff this coming year, but is due to expanding Lucy's role from 15 to 30 hrs which occured last fall – increasing her contribution from Communications to supporting ministries, leaders and people as our "Community Catalyst".

Although it may not always be seen, the pandemic placed new demands on our leaders and paid staff. Finding negotiation the increased complexity of being a church in this time – has kept all our staff and leaders on their toes.

Throughout these months, we have examined our expenses very closely and have not felt the need to adjust our personnel levels – thus far.

Next is our **Missions budget**. Although there is just a lone number in the overall budget, you'll see a chart that gives a greater sense of how the Missions budget is broken down – supporting individual missionaries, as well as local and international partnerships, such as Food For The Hungry, Mustard Seed and Camp Imadene. Our support for those organizations and individuals has not been reduced in this budget.

The overall missions budget HAS been reduced this year only in the areas usually designated for international missions trips – since we know travel is unlikely during this time. If an emergency were to arise and a missionary was required to travel home, we would make every effort – as a congregation – to make those funds available, even though it is not reflected in our budget.

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LAMBRICK PARK CHURCH

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MISSIONS BUDGET DISTRIBUTION

Individuals – global

- Sue Priestley
- Brent and Shelley Weeks
- Kelly Johnson
- Clayton Dougan
- Jenn Taylor
- Aimee Admana
- Daniel McDougall

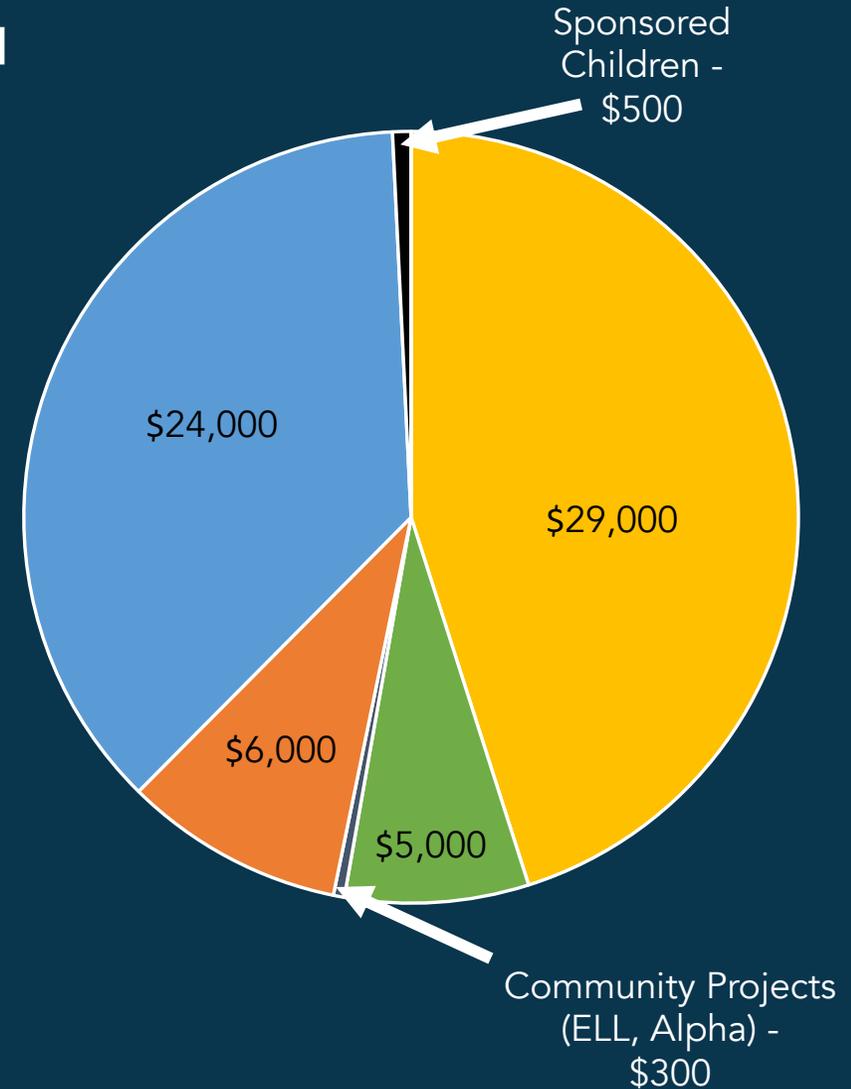
Individuals – short term

Partners – Local

- Camp Imadene
- Mustard Seed (Agape Meal)

Partners – global

- Food for the Hungry
- International Justice Mission
- Mahima Home/ Partners Int.



Vision Ministries is our national church network. We are thankful for their partnership and support through many different chapters in our congregational life and are glad to contribute back to all they do for churches like us and many new gospel-centred initiatives across the country. It's worth knowing that the bulk of these funds go to supporting church planting across Canada.

The area of **Professional Services** is almost all made up of the costs for the organization's annual audit in the fall, and includes a small contingency for technical support or legal advice.

Sunday Ministry feels like an odd title these days – but the most notable piece of this covers another year of having Daniel McDougall (who is one of our missionaries) contribute alongside Scott as a “teaching associate” – preaching 12 times over the course of the year. We're hugely thankful for Daniel's teaching ministry, and his partnership with our pastoral team.

Elders Discretionary funds for the elders are noted, and have been decreased during this time. Largely this line exists to facilitate Elders strategic planning days and provide for leadership support.

You will notice that each of the ministry areas: **worship arts, children's ministry and youth ministry** have each been given extremely modest budgets this year, mainly due to the restriction on large gatherings. Clearly these expressions of our ministry continue on – but in different ways, and although not everything can continue as we are used to, we want to make sure they have what they need to minister well to our kids, youth and congregation.

Lastly for Lambrick's budget: our **Community Life Budget** includes all our congregationally led ministries and events, including an increased provision for the vital work of our Family Care Team.

Finally: **Wiseways**

Wiseways has proposed a budget this year based on operating 3 full classrooms, which will enable payment of all operating costs, noted here as 'facility use commitment', and results in a balanced budget.

If demand arises, they may be able to open an additional classroom, but this is not planned or part of the budget at this point. This budget reflects the way they are currently required to operate to meet government regulations during the pandemic. Registrations for September are still coming in, but we are not yet at capacity. They are actively working to fill every class.

Wrap up + Sign up for the Budget Meeting

Thank you for taking the time to listen and follow along with us. We hope this video has helped you understand some of the challenges and work being done to plan as best we can for the coming year – on the financial front.

As you think of us, please pray for us – for wisdom and faith to guide us in the midst of shifting times. And even more so, let's pray together for God's continued grace in our shared life as a church and our everyday mission in the world. These times may be challenging, but Jesus is still Lord and the Gospel is still at hand – which means we have reason for hope... Let's continue to pray together for God's work in our lives, among us and through us...

In regard to our financial budget, we want to reiterate our commitment to ensure a fiscally responsible and viable ministry – in this season as in every season. Thank you for partnering with us through your continued financial giving.

As we look to approving the budget for the coming year, approving this budget means committing to contribute to it – all of us – financially, prayerfully and with whatever gifts God has given us to give. May God be glorified in how we give and serve together in this coming year.

If you have any questions about the budget itself, or the process that has shaped it, the Finance Team and Board are glad to engage with you! ***It would be very helpful if you***

could send your questions ahead of the AGM, so we may prepare. We hope this video has answered many of your questions.

Please don't forget to **sign up** for our special general meeting on **Tuesday, August 25 @ 7** to discuss and, we hope, pass this budget for the coming fiscal year.

Everyone who cares about the Life of Lambrick is welcome to come, but voting will be limited to those who've committed to Lambrick through membership.

This vote is an important and necessary part of our church life, so please participate, if you are able.

Thank you again for your continued faithfulness.