



North Lake Presbyterian Church
FINANCIAL
HEALTH UPDATE

2023 Budget & Staffing

Frequently Asked Questions (F.A.Q.) SHEET

October 28, 2022

- **WHAT IS THE APPROVED OPERATING BUDGET FOR 2023?**

Church Operations	2022 Budget	2023 Budget	Funds applied from designated accounts
Contributions	1,930,000	1,750,000	
Other revenue	4,000	2,000	
Total revenue	1,934,000	1,752,000	
Administrative expenses	226,505	204,635	
Facility expenses	133,582	169,350	
Worship Ministries	74,184	44,090	17,000
Children's Ministries	8,000	8,000	8,000
Youth Ministries	9,000	9,000	9,000
Adult Discipleship	4,400	4,000	
Missions	44,750	44,750	20,000
Care Ministries	2,000	1,000	
Fellowship Ministries	1,000	500	
Ordained Staff	318,450	345,305	
Non-Ordained Staff	902,506	809,020	
Principal & Interest	257,400	165,528	
Total expenses	1,981,777	1,805,179	
Surplus/(Deficit)	(47,777)	(53,179)	
Total funds applied from designated accounts		54,000	
Adjusted surplus		821	

- **WHY DID SESSION CUT THE BUDGET?**

- The trend of congregational giving had been slightly downward prior to 2020, but then became more pronounced as the pandemic effects wore on through 2021 and 2022. The Finance Committee and Session have watched this carefully and determined it was imperative to adjust the budget in line with realistic projections for the coming year.

- **IS COVID-19 TO BLAME FOR THIS REDUCTION?**

- Our Session has cited and discussed numerous factors, including the state of the economy, the trajectory of lower attendance through the past dozen years, the widespread decline of church commitment in our culture, etc. Yes, Covid-19 has had a significant role, but probably more as a magnifier than a root cause of the situation.

- **WHY WERE STAFF POSITIONS REDUCED?**

- We are typically cautious about adding any church staff positions, and then quite slow, even reluctant, to eliminate or reduce staff positions. However, staffing makes up the largest percentage of the church operating budget. There would be no way to reach the necessary budget level without reducing staff expenses.

- **HOW ARE WE HANDLING STAFF REDUCTIONS AND WHEN WILL THEY HAPPEN?**

- All the staff reductions will be announced and implemented by the end of December 2022. We are in the process of informing the staff members whose positions are eliminated or reduced. This step warrants compassion, respect, and gratitude for persons who've made important contributions to North Lake. As soon as it is fair and reasonable, the staff changes will be announced.

- **HOW WILL NORTH LAKE MINISTRIES BE AFFECTED?**

- With fewer staff members certain changes will be necessary, but we are optimistic about the steps we can take to consolidate some roles and/or cover certain responsibilities with volunteers. When the staff changes are announced in the coming weeks, we can spell out the implications for our ministries.

- **WHY WEREN'T THE PROCEEDS FROM THE SALE OF THE TEAGUE TRAIL PROPERTY USED TO SUPPLEMENT THE BUDGET AND KEEP STAFF POSITIONS?**

- Using the sale proceeds to supplement the budget would have been a temporary fix, avoiding the real and greater challenge of adjusting our annual expenses to match the anticipated contributions. The Session decided to use the \$785,737 to pay down the mortgage, which fulfilled a promise made during the 2019 Count Me In campaign. This decision is strategically effective for the immediate and longer-term health of North Lake, reducing our debt as well as our annual payments for principal and interest.

- **HOW MUCH DEBT DOES NORTH LAKE CURRENTLY HAVE?**

- Our bank mortgage for our main campus (for the building campaign a decade ago to create Fellowship Hall, expand the kitchen, and tie the whole building together in the lobby) is approximately \$1.3 million. We are praying and considering steps to eliminate this debt in the coming years.

- **WHAT ARE DESIGNATED FUNDS AND HOW ARE THEY APPLIED TO THE 2023 BUDGET?**

- Over the years many North Lakers have directed their giving to specific missions or ministries for which they have a particular passion. Some of these contributions (for example, most Second Mile Offerings) pass through our financial office and are immediately forwarded to the intended recipients, such as the Ukrainian Relief administered by The Outreach Foundation, Presbyterian Disaster Assistance, Love INC, etc. Other contributions go into separate funds with a targeted purpose such as our Big Three missions (Little Blessings Pre-School, Christian Food Pantry, and Operation Homebound). And some are given for ministries with children, youth, and worship. North Lake has a strong and important history of designated giving over and above our operating fund.

In 2023 we are using \$54,000 from designated funds that correspond to the ministry areas for which they were donated. This honors the intent of the donors and softens the blow during a year of significant reductions. We have tended to be conservative in the use of such reserves, because they are not swiftly replenished. Our budget planners are also aware that this is a single-year strategy. We will not have the same option in 2024.

- **HOW IS OUR MISSION GIVING AND WHAT IS THE STATUS OF THE BIG THREE?**

- The level of mission funding in the operating budget (\$44,750) is only a fraction of the overall mission giving through North Lake. For example, during 2021 a total of \$422,124 was given—designated for mission—by members, friends, and community groups. North Lake has shown outstanding support for the monthly highlighted missions, the Second Mile Offering. Our Big Three are collectively in the best financial shape they've been in for the past decade. Their careful management and stewardship, as well as directed gifts, bequests, grants, and special fundraisers like the Yard Sale, have put them in a solid position for the next few years.

- **HOW CAN I HELP THE CHURCH?**

- Obviously, every dollar given through North Lake to the glory of God is a help and encouragement. Lifting up North Lake staff, officers, and ministries in your prayers is vital. You can help by stepping forward to volunteer for something new. You can help by being one of the voices of hope and faith when our circumstances are trying. You can help by embracing cheerfully the changes and challenges we face together. You can help by thanking the Lord for the past, present, and future of North Lake Presbyterian Church!