



Dear St. Peter's members,

On behalf of the St. Peter's Church Council and Finance Committee, I am forwarding the proposed 2024 church and preschool budgets for St. Peter's, and a detailed explanation of changes in the 2024 church budget. These budgets will be submitted for approval on November 12, 2023, at the annual congregation meeting and reflect our goal to be strong stewards of St. Peter's gifts—its people, ministries and financial treasures. The church budget adjusts spending to align with attendance, recent and projected giving, and the needs of the congregation.

Given the offering trends through September 2023, the projected income through weekly and special offerings will not cover the regular and recurring costs of all current ministries and expenses incidental to those ministries in 2024.

Weekly and special service offerings for 2023 are projected to be approximately \$159,000 less than originally estimated for the 2023 budget. These offerings support salaries for staff, property maintenance, and specific areas of ministry. We avoided a severe financial crunch in 2023 because some budgeted expenses were much less than originally expected. However, we cannot rely on that trend to continue. As good stewards, we must balance planned expenditures with a realistic projection of our income.

There is a significant gap between projected weekly and special service offerings for 2024 and the costs projected for staff, property maintenance and normal operating expenses of ministry in the absence of any cuts to ministry or staff. In formulating the budget, the Finance Committee was cautiously optimistic—a 4.6% increase based on 2023 projected weekly and special offerings was estimated for 2024. Even with this increase, the cost of supporting all existing ministries and staff significantly exceeded the projected income from weekly and special offerings.

We recommend the following to balance projected offerings and projected expenditures for 2024:

- New Day service will be “paused” in 2024. This results in the cancellation of the contract for a New Day worship leader. Unfortunately, attendance at New Day services has declined since Covid. Attendance at New Day has averaged 25 participants per week. In some weeks, the number of worshipers has been even fewer. Sister Dottie's duties will be realigned to include more comprehensive responsibility for children's Christian education.
- The children's Christian education director position will be paused in 2024. With the realignment of duties and the pausing of the New Day Service, Sister Dottie will be responsible for the children's Christian education program. Sister Dottie currently is responsible for pre-kindergarten and kindergarten and grades 5-8. This realignment will require her to manage grades 1-4.
- Extension of the contract of a part-time pastor for preaching and visitation beyond June 30, 2024, was not budgeted. The attached budget includes a previously approved contract that runs through June 30, 2024. The interim pastor's contract could be extended after June 30th if there is an increase in general fund offerings at the beginning of 2024.

Positive news

- Prior to October 1, St. Peter's reduced its debt by more than \$500,000 during 2023. Over \$448,000 has been dedicated from several sources to reduce the principal on the variable rate loan during the past year. These sources included \$87,500 from the Mission Campaign, \$306,132 from the sale of the vicarage, and \$54,725 from gifts and estate bequests.
- The budget submitted by the Finance Committee and recommended for approval by Council keeps budgets intact and represents the church's commitment to fulfilling its mission through the many activities of our committees.
- Near the end of October, St. Peter's received two very generous gifts to pay off the balance of the variable rate loan. The first was for \$10,000 and the second for \$81,500. The interest rate and debt service on this loan, which was due in full in December 2024, represented a significant portion of the budget.

A way forward

Members of the Finance Committee and Council spent hours reviewing the budget and discussing many options before making a decision that we believe sets St. Peter's up for success next year and in the years to come.

Council approved extension of the Mission Campaign in early October to continue to assist in St. Peter's debt reduction and support a Mission Fund in support of ministry. We thank you for your generosity in supporting the Mission Campaign and your gifts to debt reduction.

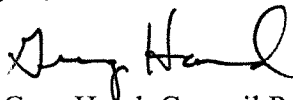
We pledge to continuously assess and evaluate the needs of St. Peter's and align your gifts to effectively minister to our community of faith and the community around us. "Pause" means that we are committed to re-evaluating our ability to support programs and ministries.

We hope and pray that this budget allows St. Peter's to move forward to build a community of faith by God's grace, serving and loving our neighbors and making disciples of the members of our community.

Thank you for your generosity of time, talent, and treasure to St. Peter's. We encourage you to sign up for electronic giving and to consider increases in your offerings as you are able.

If you have questions before the congregation meeting, please feel free to reach out to any one of us about your questions or concerns.

Thank you,



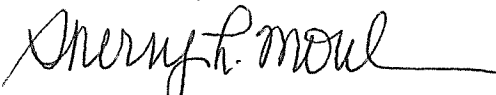
Greg Hand, Council President



Rev. Craig Ross, Senior Pastor



Paul Berkebile, Finance Committee



Sherry Moul, Treasurer