

# **Trinity Lutheran Downtown**

*Special Voters' Assembly Meeting  
Sunday – August 27, 2017 – 12:30PM*

## **FY17/18 Financial Overview**

***Let it be known to all... our Mission... "to proclaim the Gospel of Jesus Christ through ministries which strengthen and equip people for Christian witness and service in downtown, metropolitan Orlando, and the world!"***

The Finance Officer with the assistance of the Finance Committee, the Administrative Staff of the Trinity Church and Schools and the Leadership Council have labored to bring you the consolidated ministry budgets for the Fiscal Year 2017-2018 as required by the Church By-laws, to a significantly balanced position. We seek your blessing, approval and support of this budget for our Fiscal Year July 1, 2017 to June 30, 2018.

To aid in our ministry planning into the future this year we are forecasting next year following budget for Fiscal Year 2018-2019. We will not vote on the FY 18-19 budget however we want to bring a thought process to the vision and future direction of our Ministry plans.

Significant Items in our Fiscal Year 2017-2018 Budget:

- Total revenues are budgeted at \$5.257 Million
- There is an increase in the budget of \$36,377 over last year's budget at \$5.221 Million
- Total operating expenditures before loan payments \$5.024 Million
- This is an increase of 2.7% over last year's expenses of \$4.890 Million

Payroll:

- We employ 117 People, 77 full time and 40 part time
- Our payroll and benefits are \$3.603 Million at 68.5% of expenses, last year \$3.646 Million is 69.4% of our expenditures
- Wages budgeted to be paid \$2,860,045, last year 2,896,254
- Health Care Benefits this budget \$217,972, last year budget \$222,788
- Concordia Retirement Benefits this budget \$203,146, last year \$203,813
- Employer Payroll taxes this budget \$202,957, last year \$203,606
- Concordia PEO & Human Resources services \$73,821 compared to last year \$62,163
- Workers Compensation Insurance \$45,273 last year \$44,000

Facilities:

- Our facilities and support costs after deducting interest and depreciation is \$837,497
- Depreciation expense is budgeted at \$337,990
- Insurance Expense are budgeted at \$127,000

- Utilities ( Electric & Gas, Water, Refuse are budget at 123,500, Electric is \$87,700
- Repairs facilities and grounds and Maintenance Services \$114,780
- Staff Parking \$54,000
- Equipment Leases & Rentals \$18,243
- We have budgeted \$18,000 for the second year of full audit schedule to be completed by April 2018.

## **Trinity Ministries**

### Church Ministry

- Our Church budgeted revenues are forecast to drop by \$69,430 from last year
- Our Revenues are \$930,500, we are projecting these revenues to hold
- Church ministry expenses are budgeted at \$256,162, Ministry labor 181,294, program expenses \$74,867
- Ministry Payroll anticipates a called Pastor by January 2018 with an Interim Pastor filling in as needed.
- Church pays out Benevolences \$91,300 of which \$40,103 supports the LCMS District and Synod
- Membership scholarship are increased to \$9000. Individual member scholarships are \$1,000
- Through undergoing the Audit we have discover \$33,000 in our bank account that is dedicated funds not identified with any specific purpose. These funds will be used for emergencies and repairs of campus equipment and facilities. The Audit also identified \$11960 of Kunze Endowment that will be return to the Kunze Endowment

### Youth Ministry

- We have decreased our Youth Ministry budget to \$10,000 from \$15,525

### School Ministries:

- The K-8 School celebrates beginning enrollment of 97 students, up 21 students from last year, a 27.6% increase.
- Our mixture of student tuitions has increased revenues by \$106,000 growing from \$567,900 to \$763,866
- This is a 34.5% increase in revenue over last year actuals; includes 4% tuition increase.
- Paid Scholarships represent \$335,610 of our tuition revenue this year. Paid Scholarships represent 42% of our tuition revenues
- Operating expenses increased at \$661,690, increasing by \$74,131 over last year's budget or 12.6%.
- Registration and Fees in the K-8 revenues are \$82,207
- The K-8 revenue includes dedicated funds of \$20,000 from a December 2016 gift

- The Trinity waiver of tuition are \$99,597, employee discounts are \$36,141, prepay \$4,947 and 2<sup>nd</sup> /3<sup>rd</sup> child discounts are \$8,900
- The Kasper and Johnson Endowment funds have \$24,000 interest held in reserve to meet Trinity education and scholarship needs

**CDC Ministry:**

- New Century Center housing Child Development Center Ministry opened August 2015.
- This year is our second full year at full capacity; our CDC Ministry cares for and educates over 304 infants to pre-kindergarten students on a daily basis. CDC revenues will exceed \$2.976 Million Dollars.
- School Readiness and 4C contribute an estimated \$175,000 to the CDC revenue
- Registration are \$58,000
- The CDC revenue includes dedicated funds of \$20,000 from a December 2016 gift
- Employee discounts from tuition are \$129,996
- The CDC annual expenditures are \$2,472,780, labor and benefits are \$2,403,480 of the CDC expenditures, program expenses are budgeted at \$69,300.
- CDC revenues support the principal and interest loan payment of \$408,834 from the construction of the New Century II building.

**Food Services:**

- Food Services prepare and serves over 825 meals and snacks a day, 148,500 servings in a 180 day school year and it does not stop there.
- Under the guidance of Rich Poole we are able to provide healthy eating alternatives
- New this year the CACFP Healthy Eating Initiative will generate \$15,000 in revenue assistance toward our food program
- We have adjusted our food revenue pricing for our food services to align with our healthy eating alternatives and will continue to adjust pricing to balance revenue with the cost to feed our staff and students.
- K-8 Food services fee is \$315 per student, CDC 272 students at \$12.00/school week

**Magnolia Property AKA (The Ministry Center):**

- Our budgeted revenue goal is \$122,000 in rental income to offset cost of the Mag property

**Our Mortgage:**

- May 13, 2016 we increased our indebtedness to LCEF by \$5,683,807.00
- Our total Mortgage to LCEF is \$7,636,441.52 at June 30, 2017
- Interest and Principal payments for FY 2017-2018 are as follows;

Loan Payment	Principal	Interest
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\$554,471.28   \$280,392.10   \$274,078.18

- Our interest rate on this 20 Year loan continues at the 3.875% variable rate
- Combined Principal and Interest payments will be \$11,016,047 over the next 20 years
- Our monthly mortgage payment is \$45,900.81

**Bridge Loan:**

- Balance \$662,883 This note matures May 13, 2019
- 36 month balloon loan with interest only payments
- Interest rate 3.875%, Monthly Interest \$2,140.56, \$25,686.72 per year
- The CDC construction project utilized \$439,000
- Trinity received unrestrictive funds of \$223,000 from the Bridge Loan
- The current Bridge balance remaining at \$ 82,000 held in reserve

Other Interesting Items:

- We will utilize \$67,825 of the LCEF Investor Rebate to fund and pay toward our new loan payments this fiscal year

**Our Proposed Fiscal Year 2017-2018 Budget**

	<b>Ministry</b>	<b>K-8 School</b>	<b>Ext. Day</b>	<b>CDC</b>	<b>Food</b>	<b>Totals</b>
Revenues	\$1,143,729	\$763,866	\$157,950	\$2,976,732	\$215,177	\$5,257,454
Expenses	\$1,849,169	\$651,689	\$ 97,181	\$2,472,780	\$186,635	\$5,257,454
<b>Net</b>	<b>(\$705,440)</b>	<b>\$122,177</b>	<b>\$ 60,769</b>	<b>\$503,952</b>	<b>\$28,542</b>	<b>\$0,00</b>

**Last year Fiscal Year 2016-2017 Budget**

	<b>Ministry</b>	<b>K-8 School</b>	<b>Ext. Day</b>	<b>CDC</b>	<b>Food</b>	<b>Totals</b>
Revenues	\$1,346,967	\$567,900	\$134,525	\$3,012,283	\$153,003	\$5,219,677
Expenses	\$1,383,757	\$578,711	\$122,460	\$2,895,880	\$183,547	\$5,164,355
<b>Net</b>	<b>(\$36,790)</b>	<b>(\$10,811)</b>	<b>\$12,065</b>	<b>\$116,403</b>	<b>(\$25,544)</b>	<b>\$55,322</b>

I motion to the Congregation that we accept this Fiscal Year 2017-2018 budget and provisional forecast for FY 2018-2019 and approve our Mission and Ministry to move forward.

*Respectfully Submitted in the Fear of God our Father in Heaven, our Almighty Lord and Savior, through Jesus Christ our Lord and Redeemer.*

David Wilkosz  
Finance Officer