

2008 Budget Update

The following 2007 financial results and 2008 budget items were presented during the Congregational meeting on February 11:

2007 Financial Results:

- Revenues were \$25,000 under budget (\$14,000 due to a shortfall in pledges, \$7,000 due to a shortfall from Children's Day Out revenue). CDO revenue is expected to recover fully in 2008.
- Expenses were \$27,000 under budget.
- The final 2007 deficit of \$75,509 was \$1800 less than budgeted.

2008 Budget:

There are so many positives that Cash Management sees as we enter 2008, for example:

- Pledge dollars are up 4%, even though we received 19 fewer pledges. For the first time, our average pledge is over \$3000 (\$3111), though 48% of pledges are under \$2000.
- 50% of pledges were increased, while 32 new families pledged.
- Pledges for members who pledged in both 2007 and 2008 increased 10%. Unfortunately, we lost \$68,000 from members who did not pledge again in 2008. These typical losses are due to many reasons (families moving, employment issues, other unexpected expenses, etc.).
- Revenues for the building campaign are on schedule. Many members have given ahead of schedule allowing us to save thousands of dollars in construction interest payments.
- We have received over \$60,000 in unpledged gifts for the building campaign.
- We announced that we have received over \$15,000 for Knox's first Endowment Fund.

With all the good news, we know we are still in the midst of a few expectedly tight years. Increased expenses relative to the new building, the expansion of programs, and the support staff we'll need as the new building becomes fully operational will put more pressure on our operations budget. Even so, the 2008 budget was presented, as follows:

- The 2008 operational budget is balanced, totaling \$1,337,000 (\$25,000 more than 2007 expenses). Including Go & Serve, CDO, and Youth Club, the total budget is over \$1.6 million.
- We have made up the \$75,000 planned deficit from 2007 and supported some key expense increases.
- Unfortunately, we reduced the requested Mission budget by \$18,500; or \$11,700 less than was given toward Missions in 2007. We also had to withhold any raises for the staff in 2008.
- The decision Session had to make was very difficult. We have committed that any additional revenue received in 2008 that exceeds our budgetary needs will be added back to Mission.

In order to improve revenues in 2008, I'd like to invite all those people who have not pledged for 2008 to please consider doing so. For those who have never pledged, if you're not sure what pledging entails, please contact me or any of the pastors. For those who have pledged, we thank you so much, but if you find that you have additional funds available or are thinking, "we could do more", please let us know of your intentions. Pledge forms are still available on Knox's website (www.knoxpres.org) or by stopping by the main office. You can also contact me or our Financial Secretary, Rita Eagleson (reagleson@knoxpres.org or 630-355-8181 ext. 101)

Thank you to everyone that attended the meeting. To those that made comments regarding the budget, they were valuable and obviously heartfelt. Thank you for your passion.

Blessings,

Mark Nelson, Knox Treasurer (630-536-8310 or mrncrn@comcast.net)