



Prince of Peace Lutheran Church

Evangelical Lutheran Church in America

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Dear Members and Friends of Prince of Peace Lutheran Church:

Last spring, I wrote to you about our projected financial deficit based on giving during the first two months of the year, and you responded by increasing your giving during March and April, allowing us to stay on target with the 2014 spending plan. Thank you! As we enter the fall, I wanted to update you on congregational giving. Monthly donations toward general operating expenses through September averaged \$36,000. At that rate, with the anticipated increase in giving at Christmas, we estimate that the total giving by the end of 2014 will be \$449,000¹.

However, the spending plan for 2014 totals \$476,000, well above our anticipated giving by the end of the year². We are presently running a deficit of about \$6,000; while better than this time last year, this is still a concern because money has been drawn from our unrestricted funds to cover the difference. Careful program spending and a tax rebate³ to the church have helped the deficit to remain manageable so far during 2014, but for a few years now, we have been living beyond our means.

In thinking about our future, there will be a number of new budget priorities to keep in mind:

- During 2012 and 2013, we ran deficits at the end of each year of about \$20,000, totaling over \$44,000, which were covered through deductions from our unrestricted funds which need to be repaid;
- As a congregation, we have not been able to support the NJ Synod and the ELCA through benevolence contributions at appropriate levels, giving only about 5% of our budget; and
- We will need to increase spending for substitute clergy⁴, health insurance for 2015⁵ and anticipated building maintenance⁶.

Despite decreases in giving over the last few years and the anticipated expenses listed above, moving forward we should be able to live within our means, but only if congregational giving continues at the same or increased levels. With these funds, we can maintain and expand our current ministries, eliminate our mortgage⁷ more quickly, stabilize our unrestricted funds, address building maintenance and support God's work in the world through increased benevolence to the NJ Synod and wider ELCA. Please give this careful consideration throughout the fall season as you call to mind the ways you have been blessed by God and how you will continue to give with a heart of thanksgiving, so that Prince of Peace can continue to be a blessing to members, friends and neighbors in Marlton and the wider community.

Yours in Christ,

Mark Duffy
2014 Church Council President

¹ This is in line with trends in giving over the last three years, which has decreased an average of \$10,000 per year.

² In 2012, we were able to spend \$15,000 less than the spending plan and in 2013, \$10,000 less. We anticipate spending less than we planned in 2014 as well, but likely not enough to avoid a deficit altogether.

³ Mary Scout was able to file and secure a Healthcare tax credit for the last three years, totaling \$11,000.

⁴ Substitute clergy will cover worship services when the Pastor is off-site or on vacation.

⁵ There will a 13.5 percent increase for 2015.

⁶ In addition to maintenance needs, we plan to set money aside for boiler and sanctuary AC unit replacement.

⁷ As of October 1, 2014 the Mortgage balance was \$175,649.80. At the present rate of repayment it will be paid in full by November 2020; we would like to accelerate that repayment schedule so that those funds can go towards ministry.