

## FY 09-10 PROPOSED BUDGET

During the second quarter of this fiscal year, our finance and development teams will be making presentations to lenders for a construction loan. One of the pieces of documentation that lenders will be reviewing is this budget – they will be checking to see that we can pay the monthly mortgage of the loan amount we are requesting. They will deduce that by looking at how much we are currently spending on facilities and how much surplus we have that isn't needed for other purposes (much like how a bank determines whether to give you a loan to buy a house.) As you would imagine, the higher the total funds available to pay a monthly mortgage are, the more a lender will be willing to loan us.

This budget was constructed with that in mind. Accordingly, administrative and operating costs have been decreased or frozen at current levels based on actual expenses or increased slightly based on mission-critical needs.

Ministry budgets have also been reviewed and adjusted using the same criteria. Reductions in the FY 09-10 proposed budgets compared to this year's approved budgets for the following ministries - Children's, Youth, College, Discipleship, Worship, Connections, Family ministries and a few smaller line items – do NOT reflect a decrease in their importance or value to the mission of our church and we are NOT expecting ministries to spend less next year than they are this year. Rather, we have asked our staff and ministry leaders to hold their spending to the same levels as this year and have adjusted the budget to reflect that reality.

The notes on selected items below are included to explain *increases* in next year's proposed budget as compared to this year's budget. If there are additional items that are not included here that you would like details on, please do not hesitate to contact Debbie Lawrence at 301-253-5276 x 102 or at [DebbieL@damascus.com](mailto:DebbieL@damascus.com).

HEADINGS	NOTES
<b>Revenue</b>	Proposed amount is intentionally conservative. Based on current projections, the unrestricted income will exceed the current year budget amount. The FOC is recommending that bank account interest be applied to the DRCC Properties, LLC for next FY to cover operating expenses. Any surplus (interest income exceeding LLC operating expenses) will be restricted to the building fund.
<b>Office Expenses</b>	
4014-Printing	Expenses are higher than budgeted this year because we shifted to purchasing bulletin shells that coordinate with our sermon series. Additional funds were added to this line item by zeroing out the publications line item and redistributing monies to this account and to #5403 – Special emphasis/message resources.
<b>General Operating</b>	
4039- debt reduction	Budgeted to pay ourselves back for transition costs. Since this has been almost entirely accomplished, the surplus in the budget is shown on the bottom line.

<b>HEADINGS</b>	<b>NOTES</b>
4041-cap. asset	Proposing to purchase an upgraded network server and to refresh 2 ancient desktops.
4048-legal/prof fees	Will have some expenses this fiscal year related to consultations done in the last few weeks on misc. items and some calls to make in the next few weeks. This line item is unpredictable so we always allow something to cover us in the event we have a need.
4050-fees & licenses	Overbudgeted this year. Next FY expenses include WillowCreek Assn. fee and post office box.
4054-bank service ch.	Working with Mike Schuchardt to determine ways to reduce these fees.
5004-facility rental	Includes all expenses related to renting facilities for office space, worship and ministry events. Rate increase for Fred. Co. facilities goes into effect July 1 and has been factored in.
<b>Salaries &amp; Benefits</b>	Includes a 3% cost of living increase; adjustments to 2 hourly employee salary rates; projects a 15% increase for health insurance premiums; increase in disability insurance rates due to age and salary increases; FICA and employer retirement contributions adjusted for increase to salaries; 2 vacant part time positions will not be filled.
<b>Media Ministry</b>	
5536-Supplies	Expectation is that with increased attendance and emphasis on message series that have practical applications that more CD's and related supplies will be needed.
<b>Creative Arts</b>	
5506-Programming	Reinvigorated creative arts team will need funds to cover costs of props, downloading video clips, etc.
<b>Congregational Care</b>	
5022-Flowers	Increase reflects price increases and expectations of church growth
<b>Missions</b>	
5331-Honduras	Increase is proposed to cover trip costs for leaders who give so much time to this mission every year and miss so much work plus use vacation time. These leaders have asked the same friends and relatives year after year and these resources have dried up. The dispersal of these funds to leaders would be directed by the Honduras Mission Board.
<b>Ministry Support</b>	
5403- Special Emphasis/Message Resources	Budget includes design or purchase of artwork, stage & lobby banners, bulletin stuffer postcards, etc. to support message series. Additional funds were added to this line item by zeroing out the publications line item and redistributing monies to this account and to #4014- Printing.