

## Overview of the Proposed 2026-2027 Budget

It's been an exciting season at Damascus Road! God is moving powerfully in the lives of individuals and families through your faithful generosity. During our most recent message series, we've unpacked our refreshed vision statement:

***Through the empowerment of Holy Spirit, we expand the Kingdom of God and work to put our world back together by proclaiming Christ, healing the broken, declaring freedom for the oppressed, and bringing God's favor to Mount Airy and wherever we are sent. (Luke 4:18-19)***

As this vision continues to become more embedded in everything we do, our resources (time, talent, treasure) will become even more aligned to accomplishing this vision. It will serve as our North Star. We believe the best is yet to come with Jesus at the center!

### **Financial Update**

As has been shared in multiple worship services, contributions are down 10% from last year and we've been running a regular budget deficit. The actual deficit is ~\$120k through March. We're grateful for the surplus funds from multiple prior fiscal years that have helped sustain us during times of deficit.

Excitingly, we have 40% more new givers getting in the game, and some of you have stepped up your giving during this stretch to help address our deficit. Thank you!

Since giving is struggling to cover expenses, we felt it was important to continue to decrease expenses in this next season until giving begins to grow. Most of this decrease is from not filling vacant staff positions.

The proposed FY27 expense budget is \$2.95M, a 12% decrease. We estimate we will receive about \$2.925M in contributions and \$90,000 in interest income, totaling \$3.015M. This would lead to a potential \$56,675 surplus. We strongly believe God will continue to provide as we follow His heart for our future!

### **Ministry**

- Overall, the ministry budget will decrease by 10% (\$54,140).
- Each ministry cut back ~10% while prioritizing investing in ministry teams. Reducing ministry budgets will mean certain events may be paused and allow for even greater focus on core discipleship activities and programs that align with our refreshed vision/mission.

### **Operations**

- Overall, the operations budget is decreasing by 11% (\$65,370).
- The decrease is largely due to refinancing the mortgage which nearly cut our mortgage payment in half. The mortgage balance is \$610,000 with a 5-year fixed term. We've also experienced a significant decrease in banking/ digital giving fees due to the migration to a new giving platform and processor.
- With the building nearing 15 years of age, we're experiencing aging equipment, including multiple HVAC units. We increased the savings toward FF&E (Furniture/Fixture/Equipment) by \$10k. We also have savings set aside to assist with unexpected facility repairs.

### **Personnel**

- The personnel budget is decreasing by 13% (\$292,165). This is largely due to multiple unfilled positions.

- Given the decrease in giving and the resulting need to reduce staff expenses, the proposed budget does not include a cost-of-living increase for staff. We are committed to re-evaluating this situation later this year as the Trustees are profoundly grateful for the passion, excellence, and resilience our staff continues to demonstrate. If giving trends show consistent improvement and cash on hand allows, the Trustees' desire is to provide a cost-of-living payment to staff as soon as it is financially responsible to do so.

Thank you for your faithful and sacrificial generosity in fueling the work that God is doing through Damascus Road. Because of your partnership, we are living out our mission to *make disciples who make disciples that make a difference in the world!*