FIRST LUTHERAN CHURCH
COLORADO SPRINGS

ROOM TO GROW

BEARING FRUIT THAT LASTS

JOHN 15:16

PROPOSED BUDGET AND COMMENTARY 2027

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INTRODUCTION

A budget is the result of spiritual discernment by the elected leaders of First Lutheran Church, the pastors and staff and the congregation. Together we make a plan for ministry, how to advance the gospel of Jesus through our work together. We recognize that we are stewards of God's gifts that come through the offering plate as people share a portion of what God has given them to continue his work in the world. Our goal is to be faithful, responsible, and clear in sharing with each other what we believe God has called us to in the next year. Here is our plan and the rationale behind it.

INCOME

Most people think of finances in terms of income and expenses with the simple goal of not spending more than you make. We talk about it differently in the church but the concept is the same. The church's total income comes in the form of offerings, special gifts, designated gifts, rental income, and donations from outside organizations like 12 step groups, individuals and others who use our facilities for meetings.

We focused only on our offering income from the past to determine our budget for 2027.

In **2023** our offering income was **$1,933,565**

In **2024** our offering income increased by **8.82%** to **$2,104,191**

In **2025** our offering income increased by **6.30%** to **$2,236,746**

In **2026** we are on track for our offering income to increase **5.37%** to **$2,356,792**

Based on that information we are forecasting a conservative increase of 4% for 2027 and basing our budget on an income of $2,451,064. In addition, we are anticipating additional income from the other sources, for example we expect around $93,000 in revenue from the Peel House rental agreement, reimbursements and donation for use in 2026. This 4% increase is in line with expected inflation, less than previous year's increase and influenced by recognition that we are in the middle of the *Inspire Faith* capital campaign.

BUDGET PRIORITIES AND NEW ADDITIONS

STAFF – Our biggest ministry asset is our staff. We care for our staff by giving them each at least a 3.5% cost of living increase. Benefit costs increased by 15% and we had some shifting of staff roles the most significant being a move from full time to part time by one of our three pastors. As a result of benefit increase and reduction of an associate pastor this line item increased by 4%. 2026: 1,512,264 / 2027: 1,583,977

BENEVOLENCE – We are finally moving back to a full 10% tithe on our offerings. The Council completed a comprehensive review of our recipients and added the NAMI (National Alliance on Mental Illness) and Campus Ministry. For campus ministry we will send $1,000 to the campus ministry of the university attended by our freshmen in college. We will send it in their name to facilitate an introduction with the hopes of their participation. 2026: $208,422 / 2027: $245,689

MINISTRIES – We have added a number of ministries this year. We will hold a twice monthly grief support led by Hospice chaplain and Presbyterian Pastor Will Eskew. We have deployed Pastor Michaela to work with college students at Colorado College. We moved Faith Table to the ministry section and will now support the Piecemakers and Fleece blanket ministries. These additional ministries increase our budget from $4,176 in 2026 to $20,121 in 2027.

BUDGET IN BRIEF AND OTHER NOTES

WORSHIP & STEWARDSHIP – Communion supplies and Offering envelopes

ALTAR EXPENSES – Easter lilies and Christmas poinsettias not funded by congregational memorials

MUSIC – Traditional and Contemporary worship support. New this year is the return of the Peel House Presents concerts.

CHRISTIAN EDUCATION & MINISTRY – Alpha class, Lunch and Learn, Spiritual retreats, OWLS, GOLA supplies, Campus Ministry, Faith Table, Piecemakers, Fleece Ministry, and Grief Group

EVANGELISM – Visitor follow-up and gifts, new member meals, podcast, advertising, MomCo, and devotionals

CHILDCARE CENTER – Supplies for the Childcare Center

FUNERAL EXPENSES – Flowers and receptions for memorial services not covered by family donations.

DECORATIONS – Seasonal decorations for the Peel House and Main building

STAFF AND STAFFING EXPENSES – Ten full time employees including two pastors, Minister of Music, Minister of Congregational Service, Business Manager, Communications, Assistant to the Pastors, and three sextons; 22 part-time employees including Associate Pastor, GOLA Director, Minister of Spiritual Care, Youth Minister, Children's Minister, Minister of Contemporary Worship, Handbell Director, Ministry of Hospitality, two communications people, receptionists, bookkeeper, Contemporary Tech Director, Tech Rover (vacant), Sound Engineer, Assistant to the Minister of Music, three sextons and three child care attendants. This line item includes continuing education and benefits as well.

ADMINISTRATIVE EXPENSES- Includes office supplies, postage, phone, website, and banking. One thing to note is that it includes $15,900 in online giving fees, which is the cost to the church to process credit card offerings online. There is an option to pay the fee with your offering to help reduce this cost to the church.

PROPERTY EXPENSES- Includes facilities, equipment, maintenance, utilities, and business insurance. This expense has decreased this year as many large projects were completed in 2026 and fewer are expected in 2027.

FIRST LUTHERAN 2026 AND 2027 BUDGET COMPARISON

CATEGORY	ACCOUNT NAME	2026 BUDGET	2027 BUDGET
BENEVOLENCE AND OUTREACH	Synod - Mission Support	98,550	110,520
	Missionaries	12,000	12,000
	Local Benevolence	97,872	123,169
	Total - Benevolence	**208,422**	**245,689**
MINISTRY EXPENSES	Worship & Stewardship	3,471	3,440
	Altar Expense	0	1,700
	Music	89,553	94,500
	Christian Education & Ministry	4,176	20,121
	Evangelism	4,870	4,720
	Youth Programs	18,865	17,685
	Transportation	11,100	9,350
	Fellowship Events	22,950	20,780
	Child Care Center	200	200
	Funeral Expenses	4,100	6,700
	Other Expense - Decorations	0	1,000
	Total - Ministry Expenses	**149,285**	**180,196**
STAFF AND STAFFING EXPENSES	Continuing Ed/Conferences	13,600	10,600
	Staff Compensation	1,147,213	1,192,762
	FICA/FAMLI Leave Benefits	95,917	98,133
	Benefits	245,634	282,482
	Total - Staff & Staffing Expenses	**1,512,364**	**1,583,977**
ADMINISTRATIVE EXPENSES	Office Supplies/Printing	61,274	71,496
	Phone-Website-Media	41,290	59,220
	Postage	20,400	19,920
	Banking Fees	1,200	1,270
	On-line Giving Fees	11,750	15,900
	Total - Administrative Expenses	**135,914**	**167,806**
PROPERTY EXPENSES	Facilities and Equipment	8,000	4,600
	Property Maintenance	95,000	89,200
	Utilities	89,200	91,600
	Business Insurance	96,800	96,800
	Depreciation - F&E	0	(4,320)
	Depreciation - Vehicles	0	(5,409)
	Total - Property Expenses	**289,000**	**272,471**
BUDGET TOTALS		**2,294,985**	**2,450,139**