



Important – Annual Business Meeting Scheduled for September 24th after Sunday's service starting at Noon. Business Item: Affirmation of 2023-2024 Budget

Dear Knollwood,

What a year (remember Knollwood's fiscal year runs from 10/1 to 9/30) it has been at Knollwood!

There is so much to be thankful for this year.

- Nine baptisms – the most since before 2018.
- An almost 35% increase in worship service attendance and a 40% increase in children and volunteers in the Family Center compared to 2022.
- 39 new households (representing 106 individuals) visited this year and decided to make Knollwood their home.
- 14 youth attended summer youth camp with an increase in regular attendees at Sunday afternoon youth gatherings.
- 18 community life events provided opportunities for connection within the Knollwood community.
- 174 families were served between the Easter Egg Hunt and Photoshoot, with over 100 coming from the surrounding community.
- A 30% increase in community group involvement over the prior year.
- Growth in men's and women's ministry events.
- Provision of active, essential support to the local food pantry in partnership with Abiding Presence Lutheran Church
- Anticipated record operating fund giving by Knollwood family.

These are only a few of many blessings this year. Thank you for your engagement with Knollwood as we seek to bring the Gospel to Burke and beyond. There is so much more to do, and we look forward with excitement to seeing how God will use our time, talent, and financial resources for His glory in the coming year.

Budget Background and Overview

While experiencing the meaningful growth mentioned above, giving will most likely come in below budget by about 7% to 9%. As we have discussed throughout the year, last October Knollwood adopted an aggressive budget to be funded by congregational giving and a willingness to use a portion of our reserves if needed. The goal of this investment was to re-establish the momentum Knollwood was experiencing going into the pandemic. God is blessing, and we are seeing results from this investment. Going forward, however, Knollwood's budget will need to be aligned with the generous giving of Knollwood's faithful.

The exhibits below overview the recommended budget for FY 2023-24 (10/1/23 to 9/30/24) and provide background information from our current budget year. The recommended budget of **\$968,236** is an

approximately 5% reduction from this year's \$1,024,000 budget and is expected to be approximately 3% above expected current fiscal year giving.

A copy of the detailed budget is available at this link. [2024 Budget Recommendation](#) Hard copies of the detailed budget will also be available in the foyer on Sundays.

Difficult Choices

This budget required several hard choices. Most significantly, and after much prayer, the Elders concluded that funding levels did not support the transitioning of Ben Foster from his temporary, partially funded, two-year pastoral residency scheduled to end on 9/30/23 (extended from the original completion date of 6/30/23) to a permanent, full-time position. Multiple options and reductions were considered, but the \$1.066 million budget required to fully fund a new position did not seem prudent. Knollwood committed to fully funding and supporting Ben in his current role through December 31st, but as we talked with Ben across the spring and summer, we encouraged and supported him in considering a full range of options.

While disappointed to not continue our working relationship, we are excited to let the congregation know that Ben has very recently accepted a full-time position on the pastoral staff of a church in the Northern VA region and will start there on October 1st. We clearly see God's hand in the timing of this provision for Ben and Michelle. It is an excellent career opportunity, providing him with new professional challenges and will move Ben and Michelle out of having to fund raise much of their income. Michelle has also been a valued ministry colleague with deep, long-term connections to Knollwood that we deeply cherish. Both have contributed significantly to Knollwood over the past 2+ years and will be missed. We love them and wish Ben and Michelle the very best in this exciting, new adventure.

Going Forward – Youth Ministry

We want our parents and youth to know that a vibrant, growing youth ministry is a top priority. To assure continuity and experienced leadership for our youth, **Pastor Moises will be our new Youth Pastor**. He is excited about the new role and brings loads of experience in building fun, discipling youth groups. While Moises will retain responsibility for the Sunday worship team and select outreach events, most of his outreach duties will be re-assigned to other members of the staff so his focus will be on youth and worship. Working alongside Moises, Liz Pierce will continue to also provide leadership in the youth program and support for the rest of the volunteer team. This should be a fantastic year for our youth.

Additionally, a plan is in place to cover Ben and Michelle's other duties and responsibilities.

Other Budget Items

- The same information as in previous budget years is included; however, the budget has been reformatted to group like activities together. In the past, categories were placed in alphabetical order resulting in some ministry activities being spread throughout the budget. The recommended budget is segmented into the following groupings: Churchwide Ministry, Personnel, Facilities (includes mortgage payments), and Contingency/Contingency Reserve.
- Includes no compensation increases for staff except for the provision of a 4% increase in healthcare funding.
- New budget lines:

- Youth Ministry: FUGE Camp- youth leader expenses
- Mission Committee: Missions Trip Support – funding to supplement and encourage short-term mission involvement.
- Administrative: Security – support of Knollwood safety team
- Facilities: Capital Maintenance/Improvement Contribution – unfunded budget line to begin a conversation about pre-funding of future, known capital expenses.
- Increase in contingency/contingency reserve to be available as needed to fund variable expenses like electricity, snow removal, water, roof repair, service projects, etc.

We will hold two open, in-person informational meetings on Wednesday, September 13th and Tuesday, September 19th at 6:30 PM. We will include a Zoom option for the September 19th meeting. The meetings are intended for question and answer and additional discussion about the proposed budget and staffing changes.

On Sunday, September 24th, Knollwood will hold its Annual Business Meeting to affirm the budget in the Worship Center. The meeting will start at noon, right after a reception to be held for Ben and Michelle in the foyer at the close of the morning service.

Please feel free to reach out to Pastor David (david@knoll.org) with your questions.

This is truly an exciting time for Knollwood. God is moving. Our local community needs Jesus now more than ever. Knollwood is positioned right in the middle of the action, seeking to change the world by sharing God's message of unmerited grace, redeeming love, and joyful freedom that comes from being a follower of Jesus Christ.

Serving with you,



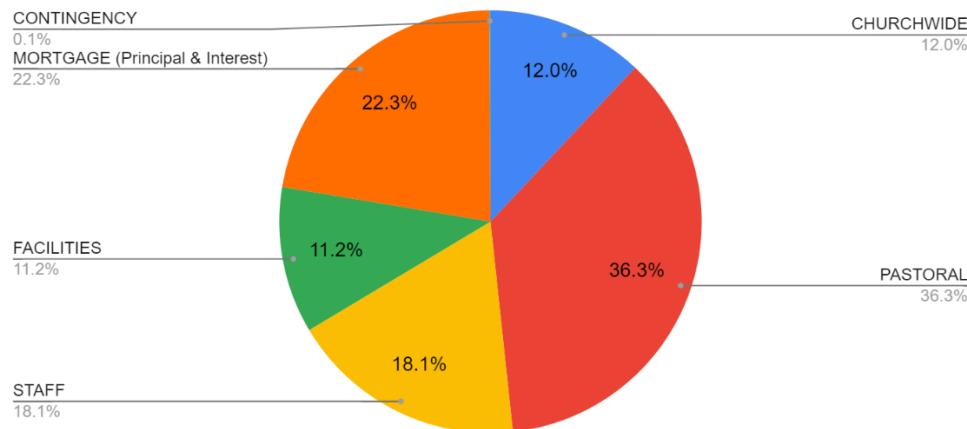
Bob Thomas
Chair, Elder Board



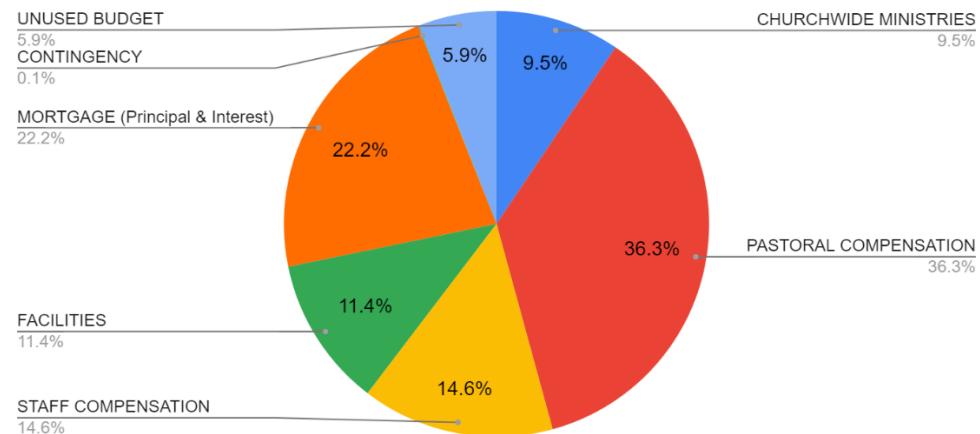
Brian McNamara
Chair, Finance Ministry

FISCAL YEAR 2023 BUDGET VS ACTUALS YEAR TO DATE

FY2023 BUDGET-FINAL



FY2023 EXPENSES (as of 08/31/2023 - See Note)

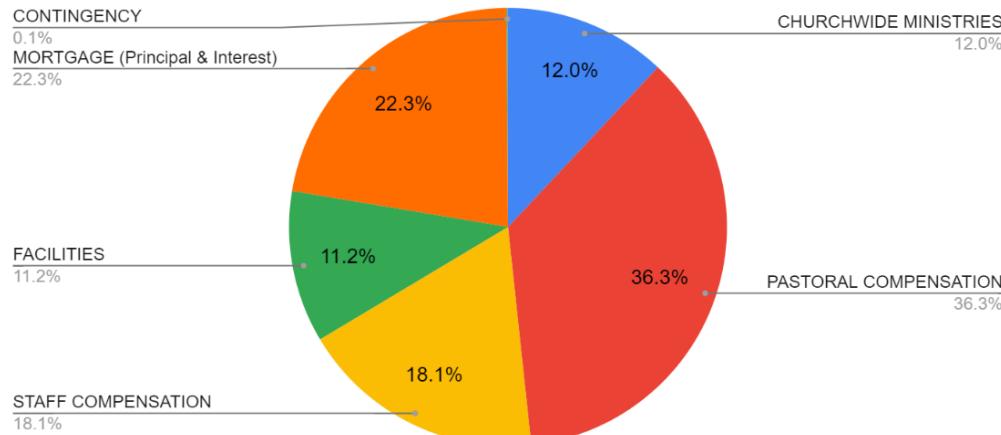


CATEGORY	BUDGET AMOUNT	ACTUAL & KNOWN AMOUNT (See Note)	% DIFFERENCE OF BUDGET USED
CHURCHWIDE MINISTRIES	\$122,985	\$97,087	79%
PASTORAL COMPENSATION	\$371,888	\$372,749	100%
STAFF COMPENSATION	\$185,619	\$150,225	81%
FACILITIES	\$114,810	\$117,078	102%
MORTGAGE (Principal & Interest)	\$228,175	\$228,175	100%
CONTINGENCY	\$1,000	\$1,000	100%
UNUSED BUDGET	n/a	\$60,786	
TOTAL	\$1,024,477		

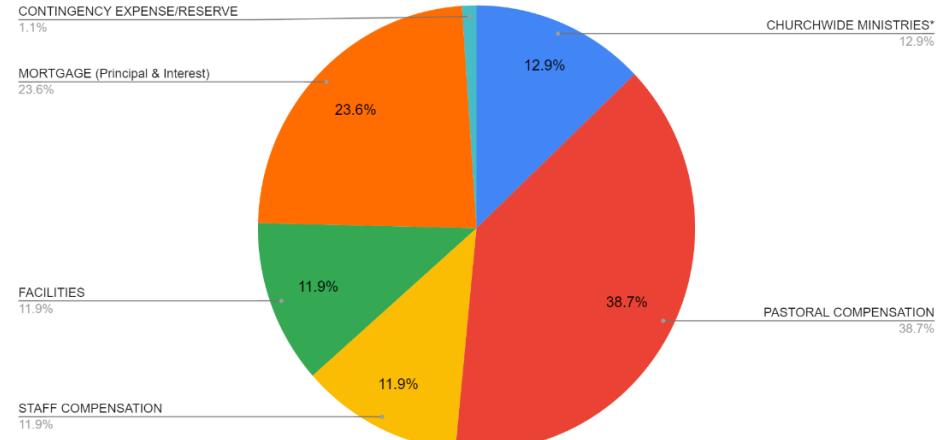
Please note: Actuals as of 08/31/2023, plus September's mortgage payment, estimated pastoral and staff compensation, and other known expenses.

RECOMMENDED FY2024 BUDGET

FY2023 BUDGET-FINAL



FY2024 BUDGET-DRAFT



FY2023 BUDGET-FINAL	
CHURCHWIDE MINISTRIES	\$122,985
PASTORAL COMPENSATION	\$371,888
STAFF COMPENSATION	\$185,619
FACILITIES	\$114,810
MORTGAGE (Principal & Interest)	\$228,175
CONTINGENCY EXPENSE/RESERVE	\$1,000
TOTAL EXPENSES	\$1,024,477

PERCENTAGE CHANGE FY2023 to FY2024	
CHURCHWIDE MINISTRY	1.24%
PASTORAL COMPENSATION	0.71%
STAFF COMPENSATION	-37.67%
FACILITIES	0.13%
MORTGAGE (Principal & Interest)	0.00%
CONTINGENCY EXPENSE/RESERVE	936.90%
TOTAL DIFFERENCE	-5.49%

FY2024 BUDGET-DRAFT	
CHURCHWIDE MINISTRIES*	\$124,508
PASTORAL COMPENSATION	\$374,539
STAFF COMPENSATION	\$115,689
FACILITIES	\$114,957
MORTGAGE (Principal & Interest)	\$228,175
CONTINGENCY EXPENSE/RESERVE	\$10,369
TOTAL EXPENSES	\$968,236

*See breakdown of Churchwide Ministries on the next page.

BREAKDOWN OF CHURCHWIDE MINISTRIES FY2024 BUDGET

FY 2024 CHURCHWIDE MINISTRIES	
ADULT MINISTRY	\$3,350
CHILDREN'S MINISTRY	\$14,600
YOUTH MINISTRY	\$5,500
COMMUNITY LIFE	\$2,500
WORSHIP ARTS	\$6,580
OUTREACH	\$3,100
MISSIONS	\$54,600
ADMINISTRATION	\$28,178
PROFESSIONAL EXPENSES/ CONGREGATIONAL CARE	\$7,000
TOTAL EXPENSES	\$125,408

FY2024 CHURCHWIDE MINISTRIES BUDGET-DRAFT

