



## LCC Financial Report – January 4, 2024

LCC is in a position of financial strength thanks to the generous giving of our members and donors. Because of all of your contributions, we are on track to have a surplus budget in 2023 and 2024. We are able to support a large staff team of three full-time pastors, a technical specialist (Emman, part time), a Kids' Club director (Melissa, part time), and an intern (Lilian, part time). We are able to spend strategically on impactful programs like VBS, camps, Operation Christmas Child, and inter-church partnerships. We are also able to buy the audio-visual equipment we need to serve hundreds of people who attend our church in person and online. And, we are able to cover the expenses of our volunteers as they do God's work. Finally, we are preparing for our fourth pastor, and we should be well prepared financially by the end of 2024. Below are some financial details. I personally find these numbers exciting and encouraging.

### **Our Bank Balance**

As of January 1, 2024, our bank balance is \$158,109 after liabilities. This amount is equal to eleven months of our operating expenses. It is a luxury to work with this much margin, as various experts recommend a cash reserve that covers three to six months. With our large cash reserve, we can make ambitious plans. For example, we can make a plan to send all of the teens in Zoe fellowship to the week-long SYC summer camp, knowing that the cost of camp will not prevent anyone from attending. And, we can prepare for our fourth pastor, who will help us to do even greater things at our church and beyond.

### **Our Expenses**

Our projected operating expenses in 2024 are about \$170,000. Of this amount, about 90% would go to staff salaries for our three full-time pastors, our technical specialist, and our intern(s). While the amount going to the staff may seem high at first glance, all of our staff are actually working at a significant discount compared to the market average. One reason why our church can spend such a high percentage of our budget on staff salaries is because the Vietnamese congregation covers most of our overhead expenses. The Vietnamese congregation helps us with maintenance, cleaning, accounting, and insurance. And, most valuably, they give us a rent-free building that we can use as our own. We owe a debt of gratitude to the Vietnamese congregation for all of the overhead costs that they have covered.

### **Our Income**

Our projected income in 2024 is \$182,520. The bulk of this income would come from our tithes and offerings. Our projected income from tithes and offerings for 2024 is \$165,000. Other income streams include financial support from the Vietnamese congregation, an annual tithe from Edmonton Lifeline Church which is our satellite church, and interest from GIC's. Most of the money in our cash reserves will be earning between 5.25% and 5.6% per year in GIC's of varying maturity dates.



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### **Budgeting For a Fourth Pastor**

After expenses, we are projecting a surplus of about \$12,000 in 2024, with a year-end bank balance of \$170,000. Such a balance would be equal to about 12 months' operating expenses. With a position of such financial strength, we would be well justified to employ a fourth pastor. Indeed, at the rate our church has been growing (a steady 10% growth per year for the past ten years), we will need a fourth pastor soon to meet our rising ministry needs. The cost of our fourth pastor would start at approximately \$44,000 per year (\$40,000 in salary and \$4,000 in CPP/EI dues and other expenses). If we were to find a fourth pastor in January 2025, we could expect a deficit of approximately \$30,000 in 2025. While such a deficit might seem large, we can actually sustain a deficit of \$30,000 for five years in a row. In that time, our church would be expected to grow both numerically and financially, so we would not be in trouble financially if we hired a fourth pastor.

### **Conclusion**

In summary, LCC is in a position of great financial strength, and I am excited at the prospect of doing even greater things together for God's kingdom. To everyone who supports our church, thank you.

–Pastor Enoch Chee