



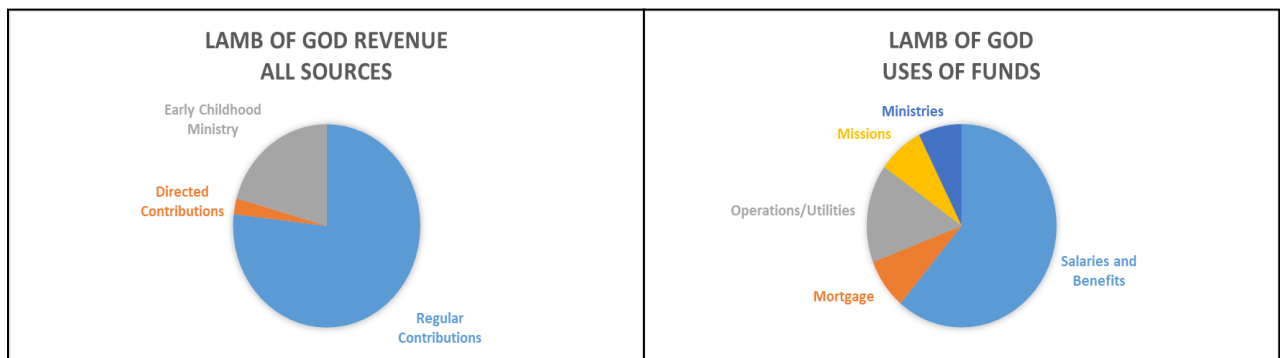
June 11, 2020

Dear Friends in Christ,

One of the most important things that the Church Ministry Council (CMC) does each year is to prepare a budget for consideration by the congregation at the spring voter’s meeting to support the annual mission and ministry plan. The budget is the allocation of the limited resources entrusted to Lamb of God to carry out the missions and ministries adopted and supported by you, the members of Lamb of God, for what we as a congregation believe God has put in front of us to do. Having said that, we are also entrusted to be good stewards of these limited resources and provide a balanced budget with reasonable expectations of meeting our obligations.

This current year has been particularly challenging in that while the ministry leaders and staff have managed to closely monitor and limit the expenses, the fact remains that we as a congregation are not currently achieving the revenues projected in the current adopted budget. Through May, we are \$111,206 (or 9.2%) below our projected budget for revenue available to support our ministries, salaries, utilities, debt service and all the other expenses associated with “keeping the lights on” here at Lamb of God. Understand clearly that we are **current on all of our obligations, including our debt service payments.** The budget shortfall was primarily met with reduced insurance premiums, reduced mortgage payments and proceeds from the PPP loan discussed below.

As with many churches, we are a people-driven organization first, then facilities and related expenses. Wages and benefits make up a significant portion of the budget, followed by operations/ utilities. Lamb of God supports outside ministries through our own tithe that has historically been established at 12% of the previous year’s giving level for the last several years. This year, given the challenges we face, the Church Ministry Council voted to recommend reducing that tithe to 10% of the current year’s projected giving, a reduction of nearly \$31,000 from last year. Finally, the funding to support the individual ministries makes up the smallest part of the budget (understanding that the entire budget provides support to all ministries as a whole.)



Loving, Outreaching, Growing, Together in Christ

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Last May, the congregation approved The Freedom to Act Campaign to address one of our most challenging budget issues – debt service. Before the campaign and a refinance of our \$3,097,449 mortgage, the debt service represented nearly 18% of our tithes and offerings. The congregation pledged \$1,471,190 toward paying off the mortgage. To date, we have received \$723,193 toward that pledge. Today, with the refinance and the reduction in principal, our monthly debt service represents a little over 10% of our tithes and offerings. Our current principal balance of our mortgage is \$2,191,216.15. Without these savings and the PPP loan discussed later in this letter, this year's expenses would have far exceeded available resources.

In this proposed budget, revenue is projected at a 2% increase over the current actual giving level. We make this projection with the confidence that as a congregation we are probably unaware of the current shortcomings and given awareness of the situation, will prayerfully work to overcome it. Even with this projected increase over the current giving level, the new budget will be well below last year's projected revenue. With this reduction, the CMC voted on May 18 to forward a budget to the congregation for your consideration that includes the following highlights:

- Overall proposed budget is reduced by nearly \$210,000 or nearly 12% from last year's budget.
- Salary adjustments are not budgeted, a trend that has continued for several years.
- Mortgage payment reduced from \$19,780/month to \$10,626/month.
- Health insurance rates, while lowered in 2020, will increase by 8% in 2021.
- Funding is included in the budget for our Vicar to become a full time SMP Pastor in January 2021, pending congregational approval.
- Funding is not available this year for a Youth Ministry leader.

Typically, when preparing the budget, we take a long term look at revenue and expense trends, upcoming capital needs and other anticipated changes in staffing levels and ministries. This year, with the budget almost prepared and ready for presentation to the congregation, COVID-19 presented us with new challenges. Long term trends and forecasting seemed to have little relevance. The focus of ministry staff went from the normal weekly routine to working from home and preparing for on-line services. The pre-school closed for the year. Teachers were sent home facing the loss of their income. Thankfully, we were able to secure a \$159,800 Paycheck Protection Program 100% Forgivable Loan to continue to pay our ministry, administrative and teaching staff through the remainder of the school year and also apply some of the funds toward normal operating expenses. New challenges presented new opportunities. We now have on-line services and on-line classes and are reaching people around the world and also those members who have been unable to attend due to health or travel. All those on-line ideas suddenly became a necessity and reality. We just needed a large nudge.

The CMC has scheduled a voter's meeting for Sunday, June 28th. The meeting will be held in the Fellowship Hall and we will provide for proper social distancing and precautions. While we typically provide several budget review meetings leading up to the voter's meeting, this year we have decided to take your questions on-line in advance of the meeting. If you have a question about the budget, or would like more information, please e-mail me at cmcpresident@log.org and I will get back to you.

See you at the Voters Meeting June 28th.

Blessings,

Doug Janeway

Doug Janeway
President

Lamb of God Lutheran Church

	2019-2020 Budget	Proposed 2020-2021 Budget
Ordinary Income/Expense		
Income		
4000 · CHURCH INCOME		
4010 · Contributions Income		
4011 · Envelopes	1,237,913.00	1,144,146.69
4012 · Plate	75,000.00	75,000.00
4013 · Sunday School	3,500.00	500.00
Total 4010 · Contributions Income	1,316,413.00	1,219,646.69
Total 4020 · Designated Expense Reduction	52,800.00	28,200.00
Total 4030 · Miscellaneous Income	200.00	700.00
4040 · Contingency Allocation	40,000.00	11,400.00
Total 4000 · CHURCH INCOME	1,409,413.00	1,259,946.69
4500 · ECM INCOME		
4510 · Registration	35,000.00	35,000.00
4511 · Tuition	350,000.00	290,000.00
4512 · Supply Fees	0.00	0.00
4516 · Enrichment	2,500.00	2,200.00
Total 4500 · ECM INCOME	387,500.00	327,200.00
Total Income	1,796,913.00	1,587,146.69
Gross Profit	1,796,913.00	1,587,146.69
Expense		
5000 · CHURCH EXPENSES		
Total 50 · SALARY/BENEFITS	800,375.00	724,467.00
Total 51 · BENEFITS/PAYROLL TAXES	287,250.00	246,200.00
Total 52 · ALLOWANCES	4,100.00	4,100.00
Total 53 · CONFERENCES/CONT ED/INTER	8,000.00	7,000.00
Total 54 · CONTRACTORS	8,900.00	49,300.00
Total 55 · PASTORAL MINISTRY	5,800.00	5,800.00
Total 56 · MUSIC MINISTRY	6,100.00	8,000.00
Total 67 · MULTI-MEDIA MINISTRY	950.00	750.00
Total 57 · ELDER MINISTRY	2,200.00	2,075.00
Total 68 · CARE MINISTRY	700.00	300.00
58 · OUTREACH MINISTRY		
580 · MISSIONS		
5801 · Texas Dist Monthly Mission	80,217.00	67,040.98
5803 · Texas Circuit Mission		
58032 · The Station	10,011.00	7,557.35
5806 · Young Lives	4,492.00	5,850.85
5807 · LCMS World Mission		
58078 · Steven Braun	5,134.00	3,047.31
58011 · Lutheran Bible Translators		
580111 · LBT/David Federwitz	2,567.00	3,047.31
580114 · LBT/Paul Federwitz	2,567.00	3,047.32
58014 · Christian Community Action	8,984.00	7,557.35
58016 · UPBring/LSSS	7,701.00	7,557.35
58018 · University Lutheran Church-Aus	3,209.00	1,584.60
58019 · Journey To Dream	8,214.00	7,557.35
58020 · Mission of Christ Network		
580201 · Jon Braun	5,134.00	0.00
580202 · Ianthe Scheiwe	5,134.00	4,875.71
58022 · Grace Like Rain Ministries	8,214.00	3,169.21
Total 580 · MISSIONS	151,578.00	121,892.69
Total 582 · Outreach & Assimilation	2,450.00	1,450.00
Total 58 · OUTREACH MINISTRY	154,028.00	123,342.69
Total 59 · EDUCATION MINISTRY		200.00
Total 60 · EARLY CHILDHOOD MINISTRY	10,400.00	15,100.00
Total 61 · CHILDREN'S MINISTRY	14,100.00	14,100.00
Total 62 · YOUTH MINISTRY	4,100.00	4,100.00
Total 63 · FELLOWSHIP MINISTRY	4,000.00	4,000.00
Total 64 · SERVANTHOOD MINISTRY	1,650.00	1,650.00
Total 65 · FACILITIES/FINANCE MINISTRIES	483,060.00	375,462.00
Total 66 · CMC MINISTRY	1,200.00	1,200.00
Total 5000 · CHURCH EXPENSES	1,796,913.00	1,587,146.69
Total Expense	1,796,913.00	1,587,146.69