



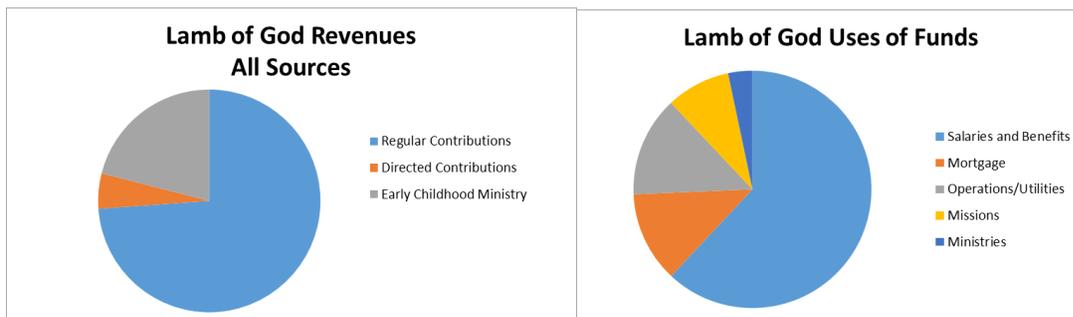
May 1, 2018

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 May voter's meeting. 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 voting 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 revenue projected in the current adopted budget. As I write this letter, we are currently \$108,000 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.** We have postponed certain elective expenditures and we have benefited due to budgeted, but unfilled positions remaining unfilled.

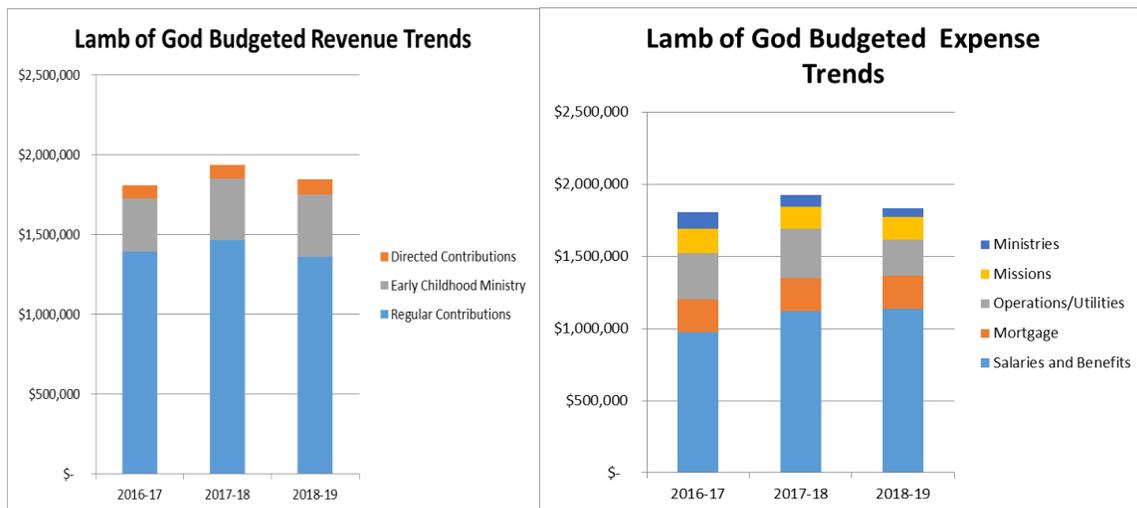
As with many churches, we are a people-driven organization first, then facilities and related expenses. Wages and benefits make up a significant portion of the budget, followed by debt service and facilities. Lamb of God supports outside ministries through our own tithe that has been established at 12% for the last couple of years. Although we had aspired to increase to 13%, we have not been able to achieve that level of giving. Finally, the specific funding to support the individual ministries make up the smallest part of the budget (understanding that the entire budget provides support to all ministries as a whole.)



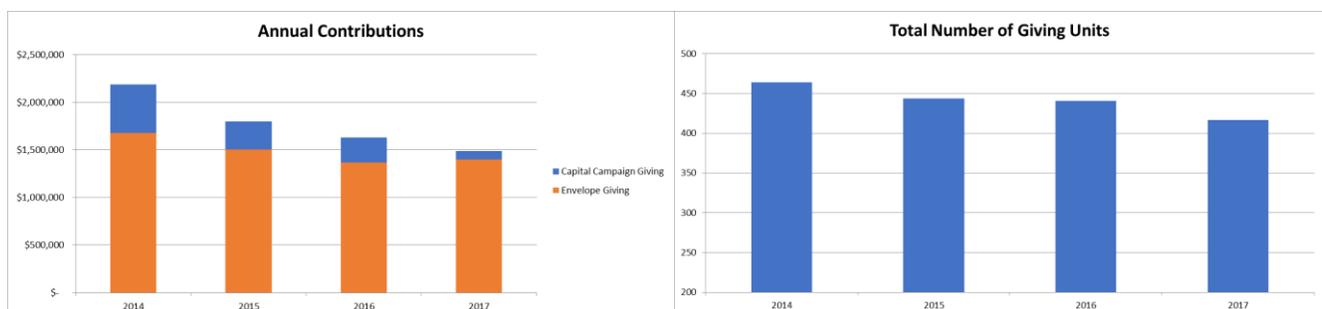
In this proposed budget, revenue is projected at a 5% increase over the current actual giving level. We make this projection with the confidence that as a congregation we are probably unaware of the current shortcomings and given awareness of the situation, will prayerfully work to overcome it. Even with this projected increase over the current giving level, the new budget will be below last year's projected revenue. With this reduction, the CMC voted on April 15 to forward a budget to the congregation for your consideration that includes the following highlights:

- Overall proposed budget is reduced by \$101,000 or approximately 7% from last year's budget
- Salary adjustments are not budgeted (but may be re-instated should giving levels increase)
- Restricted Funds for music and youth not available this year like last year
- Facilities budget reduced by \$75,250
- Mission trip budget reduced by \$5,000
- Early Childhood Ministry budget reduced by \$5,250
- Children's Ministry budget reduced by \$3,050
- Elders budget reduced by \$2,500
- Music budget reduced by \$1,940
- Care Ministry reduced by \$1,700

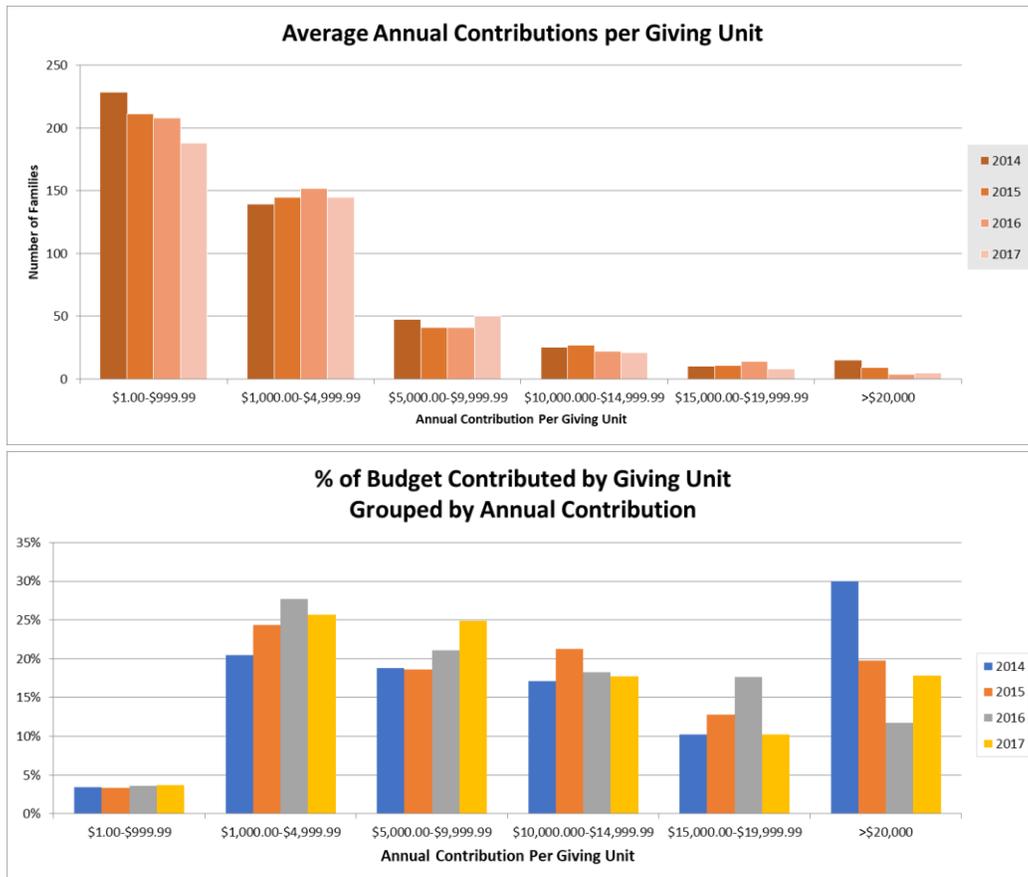
As we were looking at the budget this year, we stepped back to take a broader look at ourselves to see if we could see trends and to better anticipate what is needed in the future. The two charts below show the revenue and expense budget trends over the last two years plus the proposed budget. On the revenue chart, note that the ECM and Directed Contributions remained fairly stable while the budgeted regular tithes and offerings are projected to be less than previously budgeted to reflect actual giving levels. This reduction is required as we have not been able to meet the budgeted revenue each year, in spite of slight increases in tithes and offerings.



When we look at the number of households contributing toward the regular tithes and offerings (labeled “Total Giving Units” on the below chart), we realize that over the last several years, there has been a slight decrease in the total number of Giving Units. When we look at total contributions and also include the capital campaign giving, we see that while the overall giving has declined (as would be expected with fewer giving units), it is encouraging to see that the regular tithes and offerings have actually increased in spite of fewer Giving Units represented in FY 2017 vs FY 2016.



Finally, as we look at the distribution of the giving profile throughout our congregation, it reminds us that while 20% of the families contribute about 70% of the budget, everyone's contributions are important and its more about equal sacrifice rather than equal giving. The trends are improving as we see the number of families contributing less than \$1,000 per year reducing and the number of families giving more than \$1,000 per year increasing. I believe this is an indication of maturation as followers of Jesus. I should point out that no one on the Finance Committee has any access or knowledge of anyone's individual information.



These trends and characteristics help us as we prepare the budget for presentation each year. They also give us an opportunity to reflect. I thought it was important to bring this information forward for your consideration.

Each year, Uncle Sam gives us the ability (maybe painfully) on April 15th to review the prior year's income and render unto Caesar what is Caesar's. It also gives us an opportunity on an individual basis to prayerfully consider what we are doing with the gifts that God has entrusted us.

The CMC has scheduled a Voter's meeting for May 20th. In advance of that voter's meeting, we will be holding two budget review meetings for anyone interested in discussing any issues related to the budget. Those budget review meetings are scheduled for Sunday May 6th at 6 pm and Wednesday May 9th at 7 pm, both meetings will be held in Classroom A/B.

Blessings,

Doug Janeway

Doug Janeway
President