



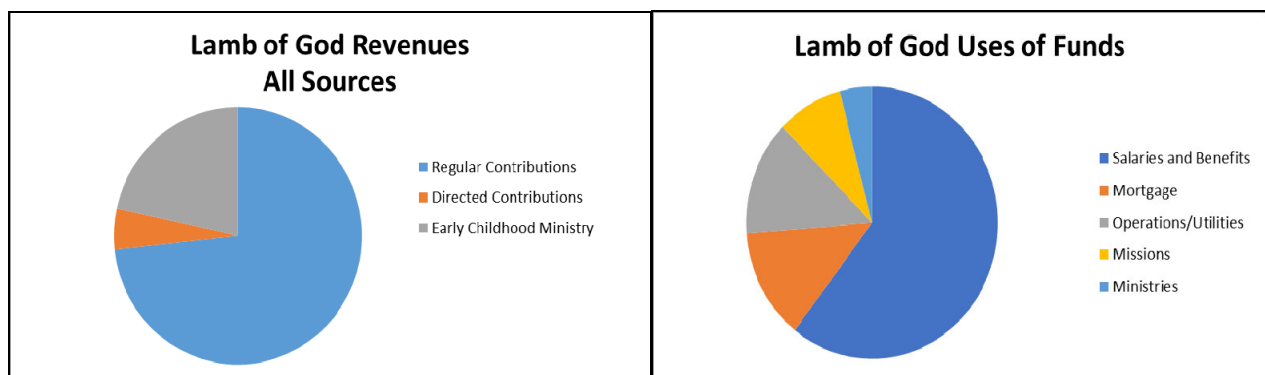
April 26, 2019

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 \$39,377 (or 4%) 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.

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 several years. 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.)

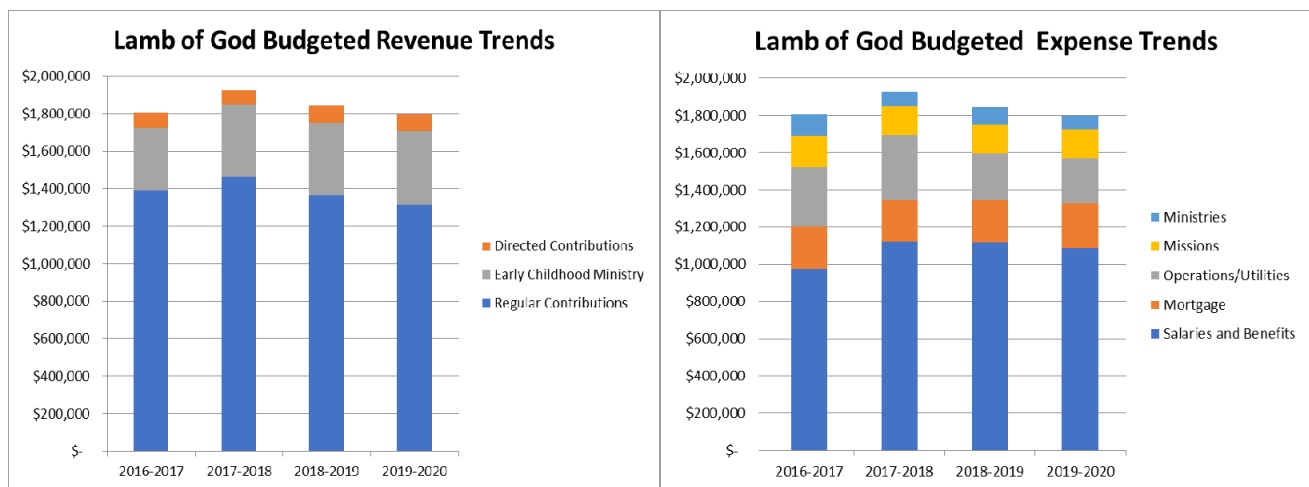


In this proposed budget, revenue is projected at a 3% increase over the current actual giving level. We make this projection with the confidence that as a congregation we are probably unaware of the current shortcomings and given awareness of the situation, will prayerfully work to overcome it. Even 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 19 to forward a budget to the congregation for your consideration that includes the following highlights:

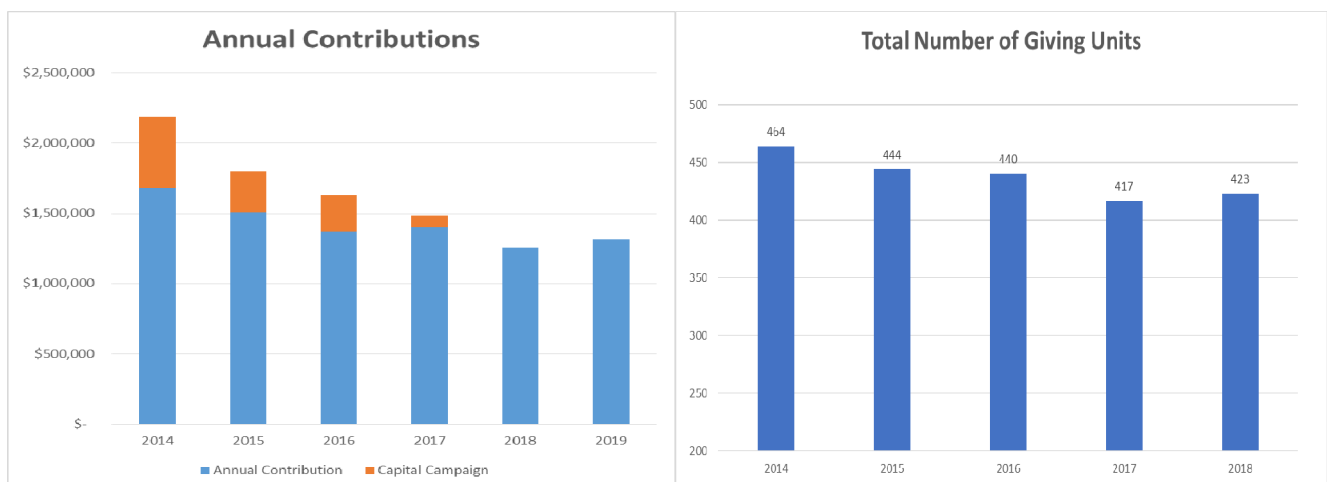
- Overall proposed budget is reduced by nearly \$46,000 or approximately 2.5% from last year’s budget
- Salary adjustments are not budgeted (but may be re-instated should giving levels increase)
- Health insurance rates increased by 10%
- The existing variable rate mortgage payment is set to increase by \$10,000 (annual amount) due to 5<sup>th</sup> year interest rate adjustment (more on that later)
- LOG will no longer subsidize payments made by credit cards
- The budget reflects use of \$42,800 that had been set aside from previous budget savings for salaries
- The remaining budget shortfall of \$40,000 is subsidized by surplus loan proceeds on hand (these loan proceeds will only be used if necessary. If they are not needed, they will be paid against the loan balance.)

As we were looking at the budget this year, we again 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 three years plus the proposed budget. On the revenue chart, note that the ECM and directed contributions (event related fees, miscellaneous income, etc.) 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.

**Fiscal Year Budget Numbers**



**Annual Contributions and Giving Units Numbers**



We are at the point that we have used all available resources to meet the annual budget needs of Lamb of God. In fact, we are utilizing some of our surplus loan proceeds and other designated funds saved in previous budget years to offset the budget shortfall this year. As we know, this is not a long-term solution. One of the major expense items in our budget is the mortgage. Lamb of God currently owes \$3,097,449 with a remaining term of 20 years. The annual payments totaling \$237,360 represent a full 18% of our annual giving (not including ECM revenue). To put it another way, the mortgage payment represents the full giving received every 5<sup>th</sup> week. Imagine what could be done if this burden were lifted from the annual budget.

In addition to considering approval of the budget, the CMC voted to bring forward a proposal to engage in a capital campaign to eliminate the debt burden from Lamb of God. This capital campaign would begin in the next several months and a major focus would be to pay off the debt. Funding for the campaign would be provided utilizing some of the remaining unused loan proceeds with the expectation that the campaign would ultimately fund the cost of the campaign. Imagine if we were able to have a mortgage burning celebration at our 50<sup>th</sup> anniversary celebration in May 2020!

The CMC has scheduled a voter's meeting for May 19<sup>th</sup>. 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 5<sup>th</sup> and Thursday May 16<sup>th</sup>. Please watch the bulletin for further details of the meetings time and location.

Blessings,

*Doug Janeway*

Doug Janeway  
President

**Lamb of God Lutheran Church  
FY2019-2020 Budget**

**2019-2020  
Budget**

Ordinary Income/Expense	
Income	
4000- CHURCH INCOME	
4010 · Contributions Income	
4011 · Envelopes	1,237,913.00
4012 · Plate	75,000.00
4013 · Sunday School	<u>3,500.00</u>
Total 4010 · Contributions Income	1,316,413.00
Total 4020 · Designated Expense Reduction	10,200.00
4027 · Salary/Special Fund Transfers	42,800.00
4040 · Contingency Allocation	<u>40,000.00</u>
Total 4000 · CHURCH INCOME	1,409,413.00
4500 · ECM INCOME	
4510 · Registration	35,000.00
4511 · Tuition	350,000.00
4516 · Enrichment	<u>2,500.00</u>
Total 4500 · ECM INCOME	<u>387,500.00</u>
Total Income	<u>1,796,913.00</u>
Gross Profit	1,796,913.00
Expense	
5000 · CHURCH EXPENSES	
Total 50 · SALARY/BENEFITS	800,375.00
Total 51 · BENEFITS/PAYROLL TAXES	287,250.00
Total 52 · ALLOWANCES	4,100.00
Total 53 · CONFERENCES/CONT ED/INTERNSHIPS	8,000.00
Total 54 · CONTRACTORS	8,900.00
Total 55 · PASTORAL MINISTRY	5,800.00
Total 56 · MUSIC MINISTRY	6,100.00
Total 67 · MULTI-MEDIA MINISTRY	950.00
Total 57 · ELDER MINISTRY	2,200.00
Total 68 · CARE MINISTRY	700.00
58 · OUTREACH MINISTRY	
580 · MISSIONS	
Total · Synod/District Directed	80,217.00
International Missions	
Total 58011 · Lutheran Bible Translators	5,134.00
Total 58020 · Mission of Christ Network	<u>15,402.00</u>
Total · International Missions	20,536.00
Local Missions	
58014 · Christian Community Action	8,984.00

**Lamb of God Lutheran Church  
FY2019-2020 Budget**

	<b>2019-2020 Budget</b>
58016 · UPBring/LSSS	7,701.00
58019 · Journey to Dream	8,214.00
58022 · Grace Like Rain Ministries	8,214.00
58018 · University Lutheran Church-Aust	3,209.00
58032 · The Station/Young Life	10,011.00
58034 · Young Lives	<u>4,492.00</u>
Total · Local Missions	<u>50,825.00</u>
Total 580 · MISSIONS	<u>151,578.00</u>
Total 582 · Outreach & Assimilation	<u>2,450.00</u>
Total 58 · OUTREACH MINISTRY	154,028.00
Total 60 · EARLY CHILDHOOD MINISTRY	10,400.00
Total 61 · CHILDREN'S MINISTRY	14,100.00
Total 62 · YOUTH MINISTRY	4,100.00
Total 63 · FELLOWSHIP MINISTRY	4,000.00
Total 64 · SERVANTHOOD MINISTRY	1,650.00
65 · FACILITIES/FINANCE MINISTRIES	
Total 650 · ADMINISTRATIVE	29,600.00
Total 651 · IT SUPPORT & EQUIPMENT	39,500.00
Total 652 · INSURANCE & MAINTENANCE	81,000.00
Total 653 · ANNUAL BUILDING EXPENSES	11,100.00
Total 654 · UTILITIES	79,500.00
Total 655 · MAJOR/MINOR EXPENDITURES	5,000.00
Total 656 · LOANS & INTEREST	<u>237,360.00</u>
Total 65 · FACILITIES/FINANCE MINISTRIES	<u>483,060.00</u>
Total 66 · CMC MINISTRY	<u>1,200.00</u>
Total 5000 · CHURCH EXPENSES	<u>1,796,913.00</u>
Total Expense	<u>1,796,913.00</u>
Net Ordinary Income	0.00