

Hello King of Glory members,

We usually meet in January to discuss the year's proposed spending plan. The purpose is to provide information and rationale for the spending plan, to address questions or concerns and to provide the opportunity for input. I am providing this narrative in lieu of that meeting and to save time during the Annual Ministry Celebration.

The spending plan for 2020 was a good plan. It included full staffing, a reduced but realistic ministries strategy and operational expenditures based on recent history. The pandemic changed all that. Both offerings and expenses were lower than planned.

We pray that the pandemic's effects in 2021 will be mitigated by vaccines and experience. We are optimistic that King of Glory will eventually be able to resume in-person worship and open the building as health and safety conditions improve. To that end, Council believes the 2020 spending plan is a good base, though we recognize we need to make a few pandemic-related adjustments. Therefore, many of the budgeted expenses mirror those of the 2020 spending plan. I will highlight the changes.

The primary change is total offering. First, thanks to each of you who responded so generously during a most difficult and challenging year for all of us at King of Glory. In 2019, we received \$1,877,000 in offerings. Last year, due to the Covid-19 pandemic, our income decreased by \$28,000 to \$1,849,000. Based on 2021 pledges and 2020 giving (for the non-pledgers), with some additional adjustments and your continued generosity and healthy stewardship, we can expect to receive at least \$1,850,000. Council recommends a goal of \$1,870,000 for 2021 offerings.

We all recognize that King of Glory needs to improve its online streaming capabilities. We did well in 2020, switching from supporting 60 on-line worshippers before closure to over 500 afterwards, all while using 10- to 15-year-old equipment and training new personnel. Online worship is an important and growing component of King of Glory's ability to communicate, connect and share God's word with its faith community and beyond. A strategy is being implemented to upgrade our network and audio/visual infrastructure. We also plan on improving the lighting, which was removed from the BTT campaign due to funding. Council is requesting \$50,000 for the A/V and lighting improvements to be paid from King of Glory's accumulated surplus.

Reflecting our confidence in the abundance of God's blessings, our benevolence will remain at 16 percent of offering, with the absolute amount reflective of total anticipated offerings.

Personnel expenses remain mostly unchanged. It is odd that salaries and benefits remain unchanged, but I have checked it several times. They are the same. In fact, the only changes we are making are specifically Covid-related. We are removing \$8,000

from nursery for an unneeded nursery supervisor and \$10,000 from contract labor for unneeded Sunday labor (traffic control and weekend custodial services). Payroll taxes are anticipated to increase \$4,000.

The differences between ministry expenditures for 2021 and 2020 are limited to a several line items. The most significant change is the elimination of the jazz service and its musicians. That elimination of \$72,400 is slightly offset by an increase in of \$7,000 for our expanded use of choral scholars. More Covid-related reductions include the cancellation of the Jr high and Sr high summer trips (\$12,000). Note, however, that if the trips were to be reinstated, operating funds can be reallocated and restricted funds can be used. We did increase other youth expenses \$1,500 and added \$2,000 for outreach. These were offset by a \$2,695 decrease in requested congregational care funds.

In 2020, we instituted a one-year reduction of website and advertising expenses. In 2021, we are adding back the \$1,500 and \$2,500 reductions. We are also budgeting \$15,000 for call and search committees and lead pastor moving expenses.

For the building, we are reducing utilities by \$9,000 and kitchen/ maintenance supplies by \$3,000. Both decreases are Covid-related.

As your treasurer, I believe the offering target may be high but is achievable. And, while I do not expect a 2021 deficit, we do have over \$230,000 in accumulated surplus (after the \$50,000 A/V expenditures) to cover one.

If you have questions regarding any of this information, please email council@kingofglory.com and we will answer these questions during our Annual Ministry Celebration on February 28 at 3:30 pm.

As a congregation, we met the challenges of 2020 head on and continue to be resilient. I am excited for what lies ahead as we step forward together in faith. I look forward to seeing as many faces as possible on February 28.

KING OF GLORY LUTHERAN CHURCH
 DETAILED STATEMENT OF REVENUE AND EXPENSES OF THE GENERAL FUND
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
 AND DETAILED BUDGET FOR YEAR ENDING DECEMBER 31, 2021

	<u>BUDGET 2021</u>	<u>ACTUAL 2020</u>	<u>ACTUAL 2019</u>
REVENUES			
Total Offerings	\$ 1,870,000	\$ 1,848,513	\$ 1,876,957
<i>percent change from prev yr</i>	<i>1.2%</i>	<i>-1.5%</i>	
Income from Rent Houses	20,000	-	-
Designated Gifts for Operations	55,000	55,000	-
Inflow from accumulated surplus	50,000	-	-
Outflow for capital improvements (AV, lighting)	(50,000)	-	-
Other Revenue	-	6,723	15,863
Total Offerings and Other Revenue	<u>1,945,000</u>	<u>1,910,236</u>	<u>1,892,820</u>
EXPENDITURES			
Benevolence			
NTNL Synod Allocation	149,600	149,681	150,156
Directed Church in Society Allocation	149,600	149,681	150,157
Total Benevolence/Church in Society Allocations	<u>299,200</u>	<u>299,362</u>	<u>300,313</u>
<i>percent of offerings</i>	<i>16.0%</i>	<i>16.2%</i>	<i>16.0%</i>
Personnel Expenditures			
Salaries	780,000	784,099	733,705
Pension & Benefits	262,000	238,027	213,163
Auto/Expense Allowance	14,700	8,365	11,375
Continuing Education	6,500	1,198	4,095
Wages - Nursery	10,000	9,616	11,828
Payroll Taxes	53,500	50,376	43,416
Contract / Temporary Labor	23,000	10,055	25,452
Total Personnel Expenditures	<u>1,149,700</u>	<u>1,101,736</u>	<u>1,043,034</u>
<i>percent of total receipts</i>	<i>59%</i>	<i>58%</i>	<i>55%</i>
Ministry Expenditures			
Education Ministry - Adult	1,950	1,455	1,667
Education Ministry - Children	6,550	6,143	6,066
Music & Worship			
Musicians, special services	10,000	2,300	9,880
Musicians, jazz service	-	23,870	79,370
Choral Scholars	24,000	18,475	15,085
Student Music	5,000	1,125	4,438
Other Music expenses	7,085	2,476	7,004
Other Worship expenses	6,650	3,424	5,786
Youth Ministries			
Discipleship Camp	7,000	7,859	5,161
Jr. High Summer Trip	-	-	4,491
Sr. High Summer Trip	-	-	4,807
Other Youth expenses	6,000	2,551	3,500

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	BUDGET 2021	ACTUAL 2020	ACTUAL 2019
Family Ministry	2,400	-	1,121
Fellowship / Life Groups	7,300	407	4,100
GUSTO	500	170	225
In Ministry Together	1,450	-	
Congregational Care	2,700	819	70
Invitational Ministries	1,500	-	1,075
Small Group Ministries	4,600	3,399	2,270
Impact Dallas/Outreach	2,000	-	3,973
Total Ministry Expenditures	96,685	74,473	160,089
Communication Expenditures			
Office Supplies	6,000	4,489	6,343
Paper Supplies	5,000	1,240	2,513
Printing & Postage	10,000	3,597	5,096
Office Equipment - Rental/Maintenance	60,000	49,728	60,568
Computer Expenses	15,000	13,511	13,913
Media and Website	9,000	5,263	9,086
Advertising and Other	5,000	-	49
Total Communication Expenditures	110,000	77,828	97,568
Other Expenditures			
Flowers (net of income)	4,000	1,215	4,590
Bank & Stocks Fees	12,000	21,062	13,806
Staff & Volunteer Lunches/Awards/Retreats	2,500	10,683	3,921
Staff/Member - Conventions	4,000	65	2,446
Vehicle Maintenance/Expense	4,000	584	3,750
Nursery Expense	1,000	61	261
Search/Call Committee (incl. moving exp.)	15,000	5,066	1,282
Miscellaneous	2,500	1,512	383
Total Other Expenditures	45,000	40,248	30,439
Building & Property Expenditures			
Utilities	95,000	87,843	98,851
Service Contracts	25,000	29,739	46,977
Kitchen, Food, Maintenance Supplies	17,000	10,097	11,339
Building & Equipment Maintenance	40,000	31,507	39,672
Grounds Maintenance	24,000	24,586	25,066
Insurance	43,000	48,047	40,432
Total Building and Property	244,000	231,819	262,337
Total Expenditures	1,944,585	1,825,466	1,893,780
Operating Surplus (Deficit)	\$ 415	\$ 84,770	\$ (960)
Special Benevolence (2020) / Transfers In (2019)	-	(12,000)	50,000
PPP Loan (2020) / Special Gifts (2019)	-	161,000	120,000
Net Surplus (Deficit)	\$ 415	\$ 233,770	\$ 169,040