

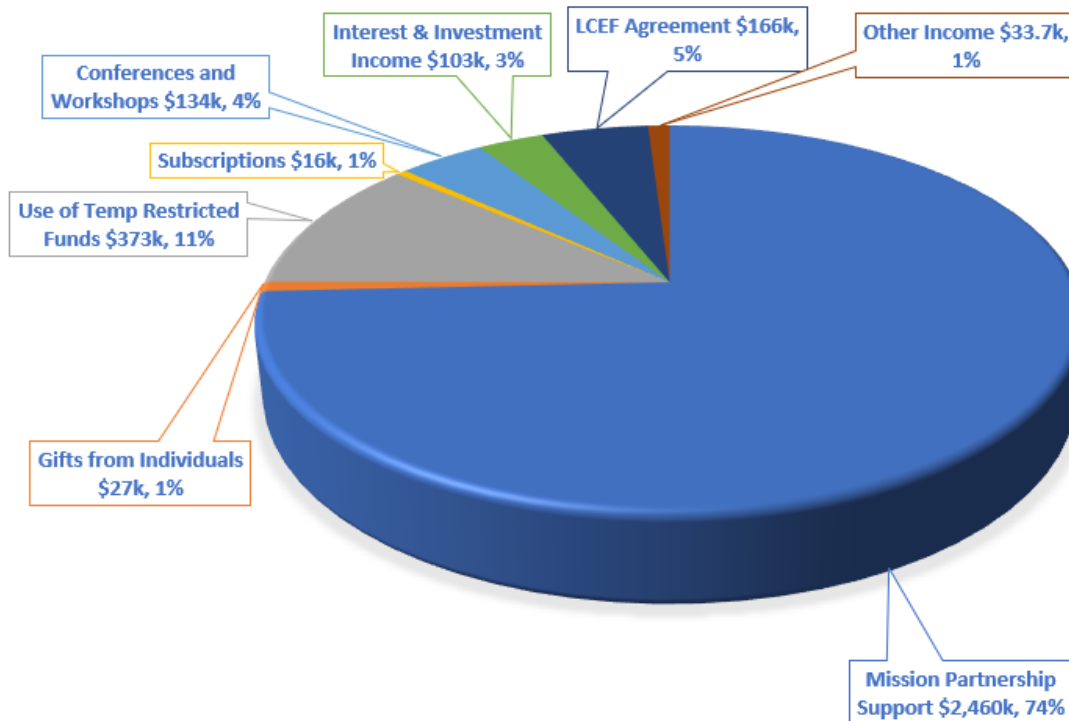


## 2022 Southeastern District Detailed Budget Narrative

The following narrative supplies detailed information regarding the Southeastern District Board of Directors approved 2022 budget. The 2022 budget is \$3.31 million of income, which is just \$30 thousand more than was received in 2021.

Presented below are short narratives of the sources of our funding that provide resources for ministry as well as how those funds are used. The Income and inflow section is followed by the budgeted expenses that are anticipated during the fiscal year.

### **Income and Other Inflows Narrative**



### **Section I – Gifts from Congregations (Mission Partnership)- \$2.46 million and Other Gifts from Individuals - \$27 thousand**

In 2022, the Southeastern District again anticipates that about 74% of annual revenues in support of District operations will be generated through gifts from congregations. Gifts are solicited each year in conjunction with the publication of information regarding the mission and ministry objectives and activities within the District that are only possible through these gifts. We project Mission Partnership Support income to be \$51 thousand more (2% increase) than the level received in 2021. We plan to continue to cultivate Mission Partnership Support contributions by building strong relationships with pastors and key lay leaders in many SED congregations.

### **Section II – Use of Restricted Funds or Other Assets - \$373 thousand**

Another major source of funding with \$373 thousand anticipated in 2022, will be in the application of Restricted and Designated Funds. Funds received by the District many times have a specific condition or restriction on how they can be used. We accept those funds under the agreement that we will apply those gifts in a way that is in keeping with that agreement. Included in these restricted funds is an earnings distribution of \$104 thousand from the Lutheran Church Extension Fund for the support of new and expanded missions within the Southeastern District.



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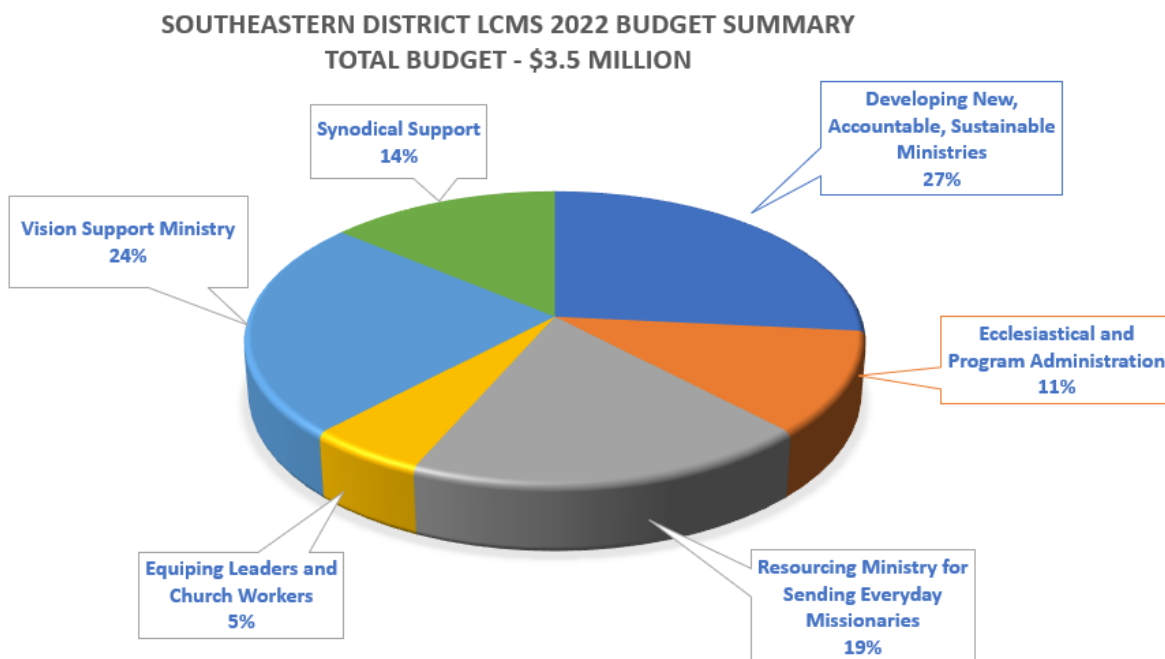
A onetime special Distribution of \$150,000 from the Lutheran Church Extension Fund is also anticipated which will be available and used within the Southeastern District 2022 budget for a new initiative to enhance our churches digital outreach and other outreach initiatives.

### ***Section III- Reimbursements, Subscriptions, Fees, and Other Income - \$453 thousand***

The remainder of what is projected to be recorded as income results from reimbursements for subscriptions, conference fees, registration fees for activities conducted by the District, and other reimbursements for specific types of activities as well as income from investments. This section includes the anticipated \$166 thousand reimbursement for expenses related to the activities of the Lutheran Church Extension Fund to the Southeastern District. In these and most of the other budget line items in Section III, the income accounts are used to offset expenses that appear in later sections of the budget.

### **Budgeted Expenses Narrative**

The following are the anticipated budgeted expenses for the Southeastern District in 2022.



### ***LCMS (Synodical) Support - \$484 thousand (14% of budget)***

The District begins its external mission and ministry support with funds gifted to the Lutheran Church–Missouri Synod of 20% of all Mission Partnership Support gifts received from congregations.

### ***Developing New, Accountable, Sustainable Ministries - \$926 thousand (27% of budget)***

The 2022 budget will continue to direct funding to be used in support of new ministries and workers and the various Ministry initiatives. This includes funding for the work of four Mission and Ministry Facilitators covering salary, housing allowance, benefits, and expenses. The total to be budgeted to develop and sustain ministries is 27% of the total budget. Selected major budget components are listed below.



## 2022 Southeastern District Detailed Budget Narrative

Additional information on planned expenditures in this area is as follows:

- Grants provided by the District directly to Congregations, Schools, and Missions: \$232 thousand
- \$35 thousand in direct support of the Peru Mission
- \$150 thousand a new one time initiative funded by the Lutheran Church Extension fund to support our churches digital outreach and other outreach initiatives.
- \$510 thousand in support of four Facilitators for Mission Engagement:
  - Salary, benefits, and housing allowance for four executives: \$465 thousand
  - Operating expenses for four executives: \$45 thousand

### ***Ecclesiastical and Program Administration (President's Office) - \$395 thousand (11% of Budget)***

- District President & President's Support Staff: Salaries and Benefits - \$281 thousand
- Other operating costs (travel to congregations and meetings, as well as moving & transition costs with new District President in 2022, etc.)

### ***Resourcing Ministry for Sending Everyday Missionaries (Congregational Services) - \$652 thousand (19% of Budget)***

Congregational Services provides program support to both emerging congregations and missions as well as existing District congregations and schools. Also included in this budget are salaries and expenses for the Congregational Services executive and staff.

- Congregational / School Services Salary and Benefits: \$474 thousand
- Congregational / School Services and staff automobile and travel expenses: \$31 thousand
- Sponsored conferences and events - \$54 thousand
- District-wide Training on Child Safety: \$16 thousand
- Disaster and Human Care: \$27 thousand
- Lutheran School Services: \$24 thousand
- Local Youth Ministry Support (& Congregation Services): \$26 thousand

### ***Equipping Leaders and Church Workers (Preparing Church Workers) - \$192 thousand (6% of Budget)***

Another piece of the District budget is used for the support of students in the form of grants as they attend college to prepare for professional church worker vocations and for other forms of scholarships or grants to help to prepare workers for ministry through other channels.

- Support of the Commissioned Worker Interns and congregational mission track vicars: \$60 thousand. (Note that in Dec 2021, we advance funded the Jan 2022 installment of \$60 thousand for these programs. The 2022 budgeted funds are for the August 2022 support)
- Scholarships for students enrolled in LCMS colleges who aspire to be Pastors or Professional Church Workers: \$51 thousand
- Education Loan Reimbursement Program: \$30 thousand
- Support of the Pastoral Leadership Institute: \$20 thousand
- Numerous other grants for Special Ministry Pastor training, Lay Deacon training, etc.



## 2022 Southeastern District Detailed Budget Narrative

### ***Vision Support Ministry (Support Services) - \$839 thousand (24% of Budget)***

A significant portion of the District budget is referred to as Support Services that make possible the vision of the District and congregations. This area is generally administrative in nature and would consist of expenses related to the Business Manager and district operational functions such as accounting, the office building, maintenance, equipment, postage, and supplies. Funds are also budgeted in this area for support of the ministry of the Lutheran Church Extension Fund which are reimbursed to the District.

- SED Support Services Salaries and Benefits: \$306 thousand
- Promote investments in LCEF, provide LCEF loans and services to congregations, and to maintain financial conversations with congregations with fiscal challenges, both within and outside the context of an LCEF loan--\$157 thousand. These salaries, benefits, and expenses are reimbursed by the national LCEF.
- Financial and General Services Related Expenses:
  - IT Support to include phone/internet: \$91 thousand
  - Staff Travel expenses, etc. \$18 thousand
  - Office Supplies, postage, printing: \$20 thousand
  - Insurance and Legal Fees: \$28 thousand
  - Annual Audit Fee: \$14 thousand
  - Credit card fees / Other bank fees: \$6 thousand
  - Lutheran Witness Subscriptions \$14 thousand
- Office Building Utilities, Janitorial, Grounds, Building & Equipment Maintenance and depreciation: \$68 thousand
- Convention Expenses \$116 thousand – the May 2022 SE District convention is the primary expense which occurs every three years to elect new Board members as well as this year a new District President

### **TOTAL BUDGETED EXPENSES FOR 2022 - \$3.5 million**

**Note that our 2022 Budget for expenses is higher than our projected income as we purposely plan to draw down some of our prior year financial reserves to provide additional direct support of several growing new ministries in underserved areas within our district.**

The Southeastern District is thankful for the partnership we share with each and every congregation. We look forward to collectively gaining momentum to reach the 32 million people who live within the area of the District who do not know Jesus as their Lord and Savior.

Questions or comments on the District Budget can be directed to Sid Heetland, Director of Business and Finance at (800) 637-5723 or [sheetland@se.lcms.org](mailto:sheetland@se.lcms.org)