

Editor's Note (3/26/20): Much of the information our budget forecasts, and in this report, was prepared and compiled prior to the shifts taking place due to COVID-19. Subsequently, it does not address how our budget might change in the future given our current season. In the coming weeks and months we will continue to reassess our strategic budget plans for FY 20-21, making sure our financial planning is consistent with our ministry efforts, the needs of the congregation, and our community. We will strive to maintain visibility throughout this process, so significant budget modifications will be communicated to the church body.

2020 Annual Business Meeting Report

Greetings, family and friends of Grace Community! Welcome to our first online annual report. We acknowledge we live in challenging times, but we also know our Lord promises us grace equal to the challenge and greater than all our sins. That's still VERY good news!

It has been a very significant year where we have continued to move ahead as a congregation in effectively preparing for our next exciting season of ministry. We will share some past success while looking forward to effectively mobilizing the church to spread the gospel in word and deed to everyone in Johnson County and beyond for the sake of making disciples who make disciples of all the nations.

This report has been prepared for you by the members of the Financial Review Committee, or FRC. The FRC is a group of Grace Community Church members who are commissioned by the Elder Board to serve under the Executive Pastor to ensure integrity within the church's financial dealings. The FRC is co-chaired by Tony Luneckas and Pastor Paul Hansen. Serving alongside them are Joe Abdo, James Ankrum, Charlie Damschen, Brian Mueller, and Caleb Stamp.

Closing Out Fiscal Year 2019-2020

The Momentum initiative that we kicked off in the fall of 2018 has been great for the health of the finances at Grace. Instead of just barely breaking even with revenue and expenses each year, we've been able to expand what we're doing in our regular operations, missional outreach, and saving for the future. The current financial summary, included on the [Annual Business Meeting web page](#), shows a net income of \$0 for this fiscal year. That's because the actual net income of \$571,241 has been put in as the amount set aside to save for future facility needs. Since October 2018, we have saved \$1,270,000 for a new building, and we are adding to that amount each month.

Even though it looks like we will come in about \$500,000 short of our \$6.8M goal for Momentum, we continue to see fruit in the area of finances in the lives of those at Grace. Not all fruit has a dollar value. 553 of you responded to the call to share, serve, and give during Momentum and 330 of you became new givers since Momentum began. We continue to trust in God's timing and provision regarding the next steps for our facility, in order to bring in, build up, and branch out more people.

Budgeting for Fiscal Year 2020-2021

Grace's budget process begins long before the kickoff of the "budget season." Spending is reviewed every month by the FRC to assist church leadership in maintaining spending versus the approved annual budget. Planning for the upcoming fiscal year begins in mid-October with each director and department head reviewing the current budget and entering proposed amounts per line item for the next fiscal year along with a justification for each expense.

Department budgets are first reviewed by the Executive Pastor with the director or department head. Then, in January, the FRC meets with each director or department to review their proposed budget, line by line, so that the FRC can fully understand each request. By March, the FRC finalizes a proposed budget and sends it to the Elder Board for review and final approval.

One of the FRC's roles is to be stewards and keep the budget in line with the mission of Grace Community Church. Every year we try to focus special attention on areas where the Elders feel we need to grow. Often this growth comes in small steps, but small steps are needed to reach big goals. This year we focused on two main areas of improvement:

1. *Taking care of our current staff.* We are in a multiyear process to make our employees' benefits packages competitive with other employers in the area. We started by offering simple IRA contributions a couple of years ago, and this year took a hard look at health expenses. With the rising costs of health insurance and because we wanted to care for our staff, not addressing healthcare was not an option. So this year, we are taking steps to better alleviate the burden of healthcare costs for staff. As further changes to health insurance unfold, we will continually evaluate our options to provide the best care and options.
2. *Preparing for a downpayment on a North Liberty building project.* Even though a new building is several years out, we have already trained our budget to save \$36,000 each month to go toward a downpayment. In effect, we are 'paying our mortgage' before we even have one, further preparing us for the future in case we need to borrow funds to finance the building project.

Our hope and prayer, with [this budget](#), is that we will be faithful in using the financial resources that God provides for our church. As you look at the budget line items, please pray that the

investments the church makes will align with the values given to us in Scripture, even if they are investments the world says are foolhardy. Pray also for the gospel ambitions that stand behind those budgeted amounts. Thank you for being a part of the mission of Grace Community Church!

If you have questions about any of the information included here or in the other documents on our Annual Business Meeting page, please submit your question [here](#).