

# Treasurer/Finance Report

Together with Pastor Karen, the Treasurer and Finance Committee oversee and advise Council on the financial status of the church, plan for the church's financial future and provide guidance on effective use of the financial gifts that God has blessed us with.

Key activities this year include:

- Working with Cheryl, the required Payroll Protection Program documentation was submitted to request loan forgiveness. The loan was forgiven.
- Completed the bank accounts and credit card clean up.
- Monitored all monthly financials and recommended any needed changes.
- Prepared and presented the 2022 budget.

## Operating Fund Financial Summary

	2022 Proposed Budget	2021 Actual	2021 Budget	2020 Actual
<b>Total Operating Income</b>	<b>\$458,000</b>	<b>\$524,505</b>	<b>\$498,500</b>	<b>\$482,636</b>
<b>Operating Expenses:</b>				
Benevolence	27,750	41,778	40,040	46,540
Programs	41,084	28,015	52,825	31,956
Staff	340,121	287,964	342,612	266,795
Facilities	<u>72,302</u>	<u>60,548</u>	<u>71,208</u>	<u>67,753</u>
<b>Total Operating Expenses</b>	<b>481,257</b>	<b>418,305</b>	<b>506,685</b>	<b>413,044</b>
<b>Net Operating Income</b>	<b>(23,257)</b>	<b>106,200</b>	<b>(8,185)</b>	<b>69,592</b>
<b>Restricted Funds:</b>				
Operating Fund	(23,257)	53,100	(8,185)	19,302
Facilities Fund Reserve		25,000		25,522
Facilities Maintenance				11,008
Insurance Provision		<u>28,100</u>		<u>13,760</u>
<b>Total Restricted Funds</b>	<b>(23,257)</b>	<b>106,200</b>	<b>(8,185)</b>	<b>69,592</b>
<b>Net Income</b>	<b>----0----</b>	<b>----0----</b>	<b>----0----</b>	<b>----0----</b>

<b>2021 End Bal.</b>
\$101,905
200,536
17,779
<u>53,860</u>
<b>\$374,080</b>

## 2021 Year End Review:

Our income was \$524,505; however this includes the recognition of the \$56,200 Government loan which was forgiven. For comparison purposes, 2021 income would be 468,305 (excluding the one-time loan recognition) compared to the 2021 budget (a \$30,195 shortfall). Expenses for 2021 were significantly lower than budget (\$88,380 favorable) as a result of less activity due to the continued pandemic and careful management of spending. The recognition of the loan combined with the favorable expenses resulted in \$106,200 in funds that could be added to the Operating Fund, the Facilities Fund Reserve and the Insurance Provision. The total of all reserves have an ending balance of \$374,080.

**As a reminder, the restricted funds are set up for the following:**

**Operating Fund Reserve:** This fund is for future times when there is an income shortfall.

**Facilities Fund Reserve:** This fund is set up to save for large building/grounds planned expense needs.

**Facilities Maintenance:** This fund is for unplanned/emergency building/grounds needs.

**Insurance Provisions:** This fund provides resources for potential large changes in healthcare costs for our ministry staff.

## **2022 Budget:**

Our 2022 projected income is \$10,305 below what received for 2021 (excluding the loan recognition). Our 2022 projected income reflects all commitments as well as an estimate for money we receive outside of commitments each year. Expenses for 2022 reflect a year closer to “normal” and therefore are higher than 2021 actuals and more comparable to the 2021 budget. Benevolence is planned to be 6% of our total Operating Income (you can find the supported organizations in the detailed financial section). All other expenses remained very similar to 2021 budget. It is important to note that staff expenses include a 2.5% raise for staff and ELCA guidelines for our Pastors. Reducing these increases are the inclusion of the option for the Pastors to “buy back” additional vacation days based on Executive Council approval as well as not replacing some staff positions where possible. This results in an expected loss of \$23,257 for 2022. To balance the budget, this loss was taken to the Operating Fund. While using the Operating Fund to balance the budget is not ideal, it is what the fund was intended to be used for during difficult years. The finance committee will watch the Income and Expenses closely this year to try to minimize this unfavorable position for 2022.

Respectively submitted by:

Leah Krueger (Treasurer) and Dawn Jacobson (Lead Finance Committee)