**Page 35 in that Annual report:**

Given our 2020 Actuals are not really a representation of a “normal” year, we will use the 2020 budget as a comparison for our 2021 budget.

2021 **Budgeted Income** is slightly below the income we projected for 2020 budget. The $2,000 lower income is due to Loose offerings which we did see lower in 2020. We reviewed all the commitments feel our 2021 budget of $498,500 in income is achievable. The Finance Committee will be watching the income closely throughout the year.

* **Benevolence** remains at 8% the same as 2020 budget.
* **Programs** are about $2,300 below the 2020 budget. This is primarily due to our decision to postpone the external financial audit until 2022. The decision to postpone the external audit makes sense given we have a very abnormal year for 2020.
* **Staff expenses** for 2021 are $11,000 higher than the 2020 budget.
  + This primarily is the difference in having Pastor Kelly on for a full year for 2021 while the 2020 budget had her only a half year plus Dori and Pastor John for only a partial year.
  + In addition we have held to the ELCA guidelines with regards to staff salaries and increases.
* **Facilities expense** is expected to be slightly below 2020 budget. This is due to lower Insurance Expense resulting from the changes to a new insurance firm in 2019.

These changes resulted in a net loss of **$8,185**. Given our 2021 will have many continued restrictions well into the 2nd quarter; we did not want to make any major changes to our normal structure of expenses. Given this, we decided to balance our 2021 budget by using funds from the Operating Fund Reserve. This would not be something we would want to do in normal years but it did not make sense at this point to make big decisions/cuts until we weathered the pandemic impacts and see where we felt we would be for a “normal” year in the future.

Much more detail on the income and balance sheets, memorials, script and youth as well as memorials can be found starting on page 37 in the annual report.

I am very happy to take any questions that you may have.

**2020 Actuals**

Our **Income** came in $17,864 below budget (or 1.8%). This was spread across all income areas and given the year we have for 2020, it was not really a surprise.

**Expense**s came in well below budget by $87,440.

* This favorability is the result of Programs, Staff and Facilities all having reduced activity due to the restrictions of COVID-19.
* In addition, we had even lower Staff expenses due to the 2020 budget expecting the hiring of the Pastor Kelly to happen by July while she did not start until December.

I would also like to point out that **Benevolence actually was $6,500 higher** than budget (and this does not include gifts given by the Youth or Endowment). **We felt very blessed this year to give more to organizations that were having difficult times.**

We ended with a net income of $69,592 which we moved into the **restricted funds** as shown on the chart.

The ending balances for the four main **restricted funds**. These four funds total $293,951 and include the money we received for the land easement from the city.