

Treasurer/Finance Report

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:

- Jay Weiss led the effort to review the insurance policy for LCR. Thank you Jay!
- Working with the president, prepared the month to month contract for Pastor Kelly.
- Conducted a market analysis of some staff positions to insure competitive salaries.
- Working with youth leadership, prepared a Youth Funds Policy which was approved by Council.
- Monitored all monthly financials and recommended any needed changes.
- Prepared and presented the 2023 budget.

Operating Fund Financial Summary

	2022 Proposed Budget	2022 Actual	2022 Budget	2021 Actual
Total Operating Income	\$416,000	\$466,516	\$458,000	\$524,505
Operating Expenses:				
Benevolence	24,900	37,750	27,750	41,778
Programs	31,334	29,857	41,084	28,015
Staff	284,616	266,744	340,121	287,964
Facilities	75,150	60,443	72,302	60,548
Total Operating Expenses	416,000	394,794	481,257	418,305
Net Operating Income	----0----	71,722	(23,257)	106,200
Restricted Funds:				
Misc. Expense		40,150		
Operating Fund			(23,257)	53,100
Facilities Fund Reserve		31,573		25,000
Facilities Maintenance				
Insurance Provision				28,100
Total Restricted Funds	----0----	71,723	(23,257)	106,200
Net Income	----0----	----0----	----0----	----0----

2022 Year End Review:

Our income for 2022 was \$466,516 or \$8,516 over budget. Expenses for 2022 were significantly lower than budget (\$62,953 favorable) primarily due to having one pastor starting July 2022 (vs. 2 in the budget for the full year). Other reasons for reduced spending is the careful management of program spending (total programs were favorable \$11,227) as well as facility costs being lower than budgeted. Expenses being significantly lower than budget and income higher, we did not need the budgeted \$23,257 from the Operating Fund. With the positive position for 2022, the Finance Committee and Council agreed increase benevolence by \$10,000 (see finance income and expense report for detail). This resulted in benevolence being 8% of total income verses the 6% in our budget. The net result was a positive position of \$71,722. This remain amount was moved to restricted funds as shown in the detail financials. Please also note we added a new restricted fund for Visioning to fund these priorities. The total of all reserves have an ending balance of \$384,213.

Note: When comparing current numbers to 2021, please remember that 2021 income included the one-time recognition of the government PPP loan forgiveness (\$56,200). For comparison purposes, 2021 income would be \$468,305 (excluding the one-time loan recognition).

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

Memorials: Funds given in memory of a loved one.

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.

Visioning: Expenses related to initiatives that focus on our visioning priorities to drive towards reaching our goals.

Restricted Estate Fund: This fund is used for gifts given from an estate fund for specific use as agreed with the family.

2023 Budget:

Our 2023 budget income is projected to be \$50,516; below what was received for 2022. This projected income reflects all pledges as well as an estimate for money we generally receive above our regular pledges. Expenses for 2023 are slightly higher than 2022 actuals. Benevolence is planned to be 6% of our total Operating Income (see finance income and expense report for detail). The largest increase in expenses is for staff. Staff is expected to be higher than 2022 actuals as, along with staff pay increases and adjustments based on a competitive market analysis, we have added Pastor Holm to help us complete Visioning and lead us through the Ministry Exploration Team (MET) work. In addition, we have added a temporary part-time Youth Coordinator to help build the momentum that has begun in the youth programs. It is a temporary position as we need to understand the strengths and gifts of a new pastor before making decisions on any new positions. And finally, until we have a pastor call, we will not know the cost for this position so we currently have included an estimate.

Respectively submitted by:

Dawn Jacobson (Finance Committee Chair)