

FLC Quarterly Financial Report as of June 30, 2021

The midyear financial report has several one-time unbudgeted items that are separately discussed in this assessment. This was done because they are outside of normal operations and are not expected to repeat. These one-time items include:

- A \$10,863 Worship Technology upgrade grant that was provided by a contributions and a matching grant from the Pacifica Synod. The funds from this grant are being used provide high quality, virtual First Lutheran services. They do not offset any of the planned/budgeted operational expenses.
- A \$37,900 PPP loan forgiveness that was approved thanks to the efforts of Richard Phillips. A portion of this (\$11,749) was provided to TACO because former Executive Director, Jim Lovell was included in the application. The net impact to First Lutheran was thus \$26,151. This money was shown as a liability (loan) in 2020 and was deposited in the FLC checking account. It was then used as needed in 2020 to pay routine expenses. When the loan was forgiven in 2021, it had to be shown as income even though no funds were received in 2021..
- An \$8,000 increase over the budgeted TACO benevolence due to a large one-time donation given to TACO.
- A \$773 overage error in a Thrivent grant that was subsequently forgiven.

Budget

Budgeted Revenues are \$ 14,466 above YTD budgeted.

Significant variances:

1. Envelope offerings are **\$18,829 above budget** and loose offerings are **\$2,140 below budget**. Further analysis will be done to determine if this due to members giving their annual contributions during the first half of the year or just increased giving.
2. Tithe from TACO is **\$ 8,113 over** budget due to a one-time \$100,000 donation TACO donations received and the 8% share to FLC in the Use Agreement policy.
3. Parking and space use are **\$ 9,543 below** budget due to COVID-19 restrictions and work at home policies. Only 6 of the 21 spaces were rented as of June but that number is expected to increase to 8 on August 1st. Hannah has also been contacted by one of the renters who works at Aminpour Associates about available spots for co-workers. There is a possibility the many, if not all, of the vacant spots may be rented by employees of Aminpour.
4. Thrivent is **\$937 over** budget due to an error by Thrivent which gave First over \$737 more than requested. Thrivent has generously agreed for First Lutheran to keep the overpayment.

Expenses:

Expenses are \$ 8,809 below YTD budgeted.

Significant variances:

1. Benevolences to Pacifica Synod are **\$1,883 over budget** due to the higher envelope offerings and the 10% tithe practice.
2. Gardening Services are **\$705 over budget** due to December payment made in January and unplanned repairs to sprinkler heads and pipes.
3. Custodian/Cleaning Services are **\$2,779 below** budget due to reduced services during the pandemic.

- Repairs and Maintenance are **\$ 3,430 below** budget. Only critical repairs and maintenance are being performed at this time.

Total:

- The 2021 budget has a **planned budget deficit** for the first 6 months of **\$33,787**.
- The **actual budget deficit was \$35,237**.
- The above numbers indicate we are operating at close to our approved budget. The approved budget, however, projected a loss of \$67,574 for 2021. The PPP loan forgiveness in 2021 is essentially “on paper” income as it was received and spent in 2020.

Cash and Investments

Item	1/1/21	3/31/21	6/30/21	9/30/31	12/31/21
Checking	27,374	36,816	17,280		
Money Market	86,383	66,406	66,465		
Investments	234,752	250,224	288,360		
Total	\$348,509	\$353,446	\$372,105		

Notes:

- Investments show a \$18,659 gain from 3/31/21 to 6/30/21. This misleading because \$17,000 of that increase is due to a Vanguard stock transfer from a Congregation member.
- \$ 42,076 of the investments are restricted for identified actions (e.g. Columbarium funds, Jacobsen Memorial Music/Worship fund, Endowment set aside, etc.).

Revenue and Expense Charts:

Due to the substantial one-time amounts previously explained, two charts are provided with the second quarter report. The first chart shows revenue and expenses directly from the financial statements. The second chart shows revenue and expenses with the one-time events excluded from the numbers and is a better representation of where the Church actually is.

2021 Revenue and Expenses by Month (Includes One-Time Revenues and Expenses)

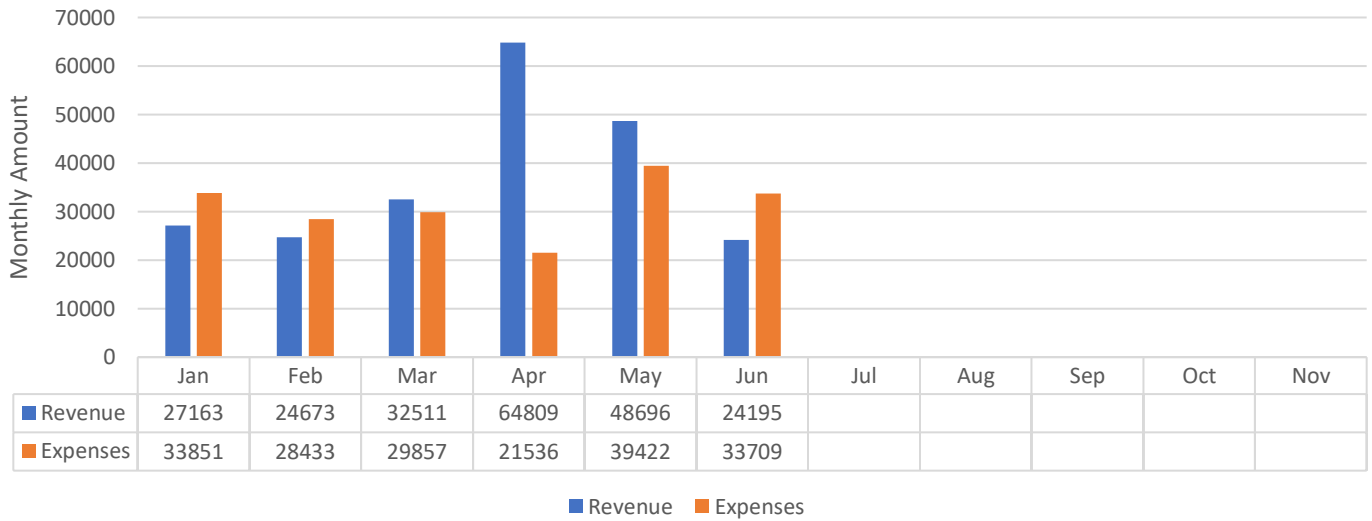


Chart 1 Notes:

1. April revenue reflects the unbudgeted “on paper” \$37,900 PPP loan forgiveness.
2. May revenue reflects the unbudgeted \$10,863 Worship Technology Upgrade grant.

2021 Revenue and Expenses by Month (Excluding One-Time Revenues and Expenses)

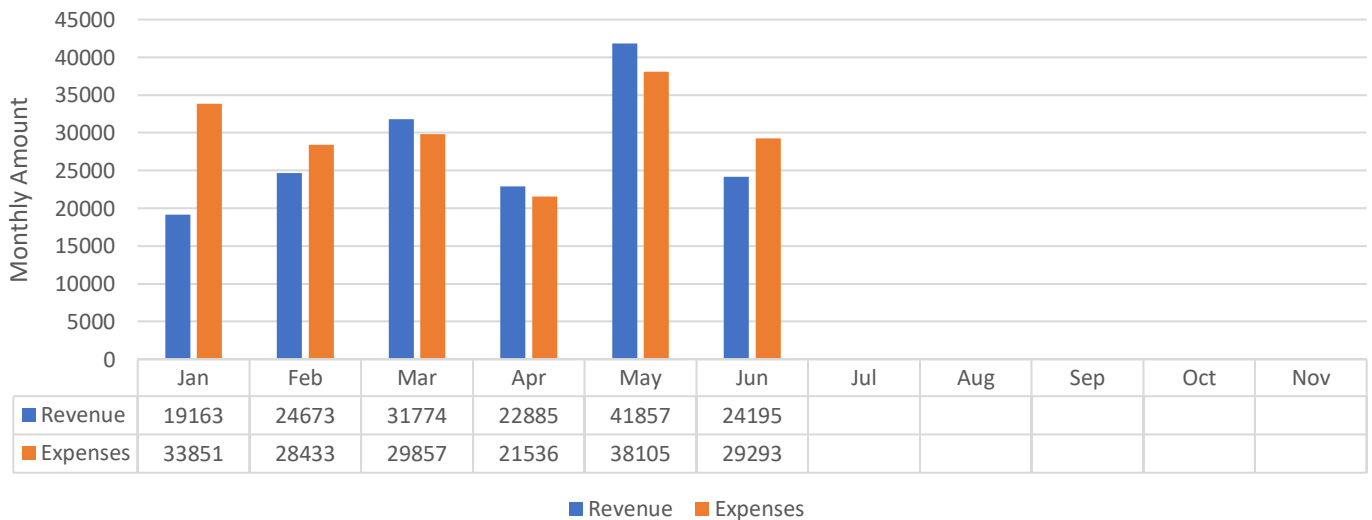


Chart 2 Notes:

1. One-time TACO increase of \$8,000 is excluded from **January revenue**
2. One-time \$737 Thrivent error is excluded from **March revenue**
3. One-time “on paper” \$37,900 PPP loan forgiveness and one-time \$4,024 Worship Technology Upgrade funds received are excluded from **April revenue**
4. One-time \$1,317 for Worship Technology Upgrade is excluded from **May expenses**
5. One-time \$3,099 for Worship Technology Upgrade is excluded from **June expenses**