

2021 Q3 Financial Congregation Report

Where We Are Now:

At the end of September, we were essentially **\$2,550 over budgeted revenue** and **\$16,253 below our budgeted expenses**. Both of these figures need further explanation which is provided later in this report. At year end, we will likely be slightly under our budgeted expenses and close to budgeted revenue. However, it is important to remember that the budget **projected a loss of \$50,682 through September and a \$67,573 loss for the year. If we meet the 2021 budget, the Church will have incurred a cumulative revenues to expenses shortfall of almost \$240,000 since 2017.**

Balance Sheet

Cash and Investments:

| | |
|----------------------------|----------------|
| 1. Checking (US Bank) | \$ 24,997 |
| 2. Money Market (Vanguard) | 63,525 |
| 3. Investments (Vanguard) | <u>274,332</u> |

Total \$362,854

Revenue Summary:

If we only look at the YTD revenue bottom line, FLC is \$62,230 above budget. This is slightly more than the \$59,475 in August but comparable to the \$61,240 we had in July. This figure, however, is misleading due to the following:

1. Several sources of revenue are not in the original budget and are **one-time in nature**. These include a TACO benevolence increase (\$8,000) resulting from a one-time anonymous donation, a Worship Technology Upgrade matching grant (\$10,863), a Thrivent error (\$737) and the PPP Loan forgiveness (37,900). In actuality, the PPP Loan was spent in 2020 but is shown on the 2021 financial statement. This is the accounting methodology to show “forgiving” of the PPP loan liability and was not money received in 2021. These one-time unbudgeted items total \$57,500.
2. The Special Music income of \$6,691 is for Omari and is neither a budgeted revenue or expense item. Omari is used only if funds are available. The expectation is that this will be a “wash” item at the end of the year.
3. Comparing YTD budgeted revenue to YTD actual revenue the figures are \$225,026 budgeted and \$236,313 actual (\$11,287 above budgeted revenue). If we then subtract the \$8,000 one-time TACO benevolence increase and the \$737 Thrivent error we are \$2,550 (1%) over our YTD budgeted revenue.

Expense Summary:

YTD expenses are \$16,253 below budget. The primary reasons the expenses are below budget are provided below.

Expense Detail:

1. Pastor Salary/Housing is **\$4,752 under budget** due to the switch to biweekly pay periods. This will catch up by year end.
2. Administrator pay was **\$2,190 under budget** for the same reason as above.
3. Payroll Tax, Soc Sec/Medicare is **under budget by \$2,201**. This is a calculated process (7.65%) based upon paid wages of employees and will reduce as the salaries catch up later in the year.
4. Administrator Health Insurance is **\$1,486 under budget**. This is because there was a delay in submitting reimbursement requests. They have been submitted in October.
5. Cleaning supplies is **\$2,118 under budget** and Custodian/Cleaning Services is **\$3,948 under budget** due to reduced and outdoor services during the pandemic.
6. Repairs and Maintenance is **\$5,865 under budget** because only critical maintenance is being performed. We have been fortunate to date that a costly repair or maintenance item has not needed to be done.
7. Night Security shows **\$2,499 under budget**. This is due to payments being withheld while waiting for the security company to respond to changing the frequency of the visits. The company is under new management and has finally contacted Hannah to reconcile the bill. The adjustment should be reflected in the end of October statement. Because we reduced the frequency of the random visits during the year, this item will be under budget at year end.

In Closing:

At this point it looks like we will come reasonably close to our 2021 budgeted revenue and expenses. But, it must be remembered that the approved 2021 budget estimated a \$67,573 deficit.