

2021 Budget Narrative

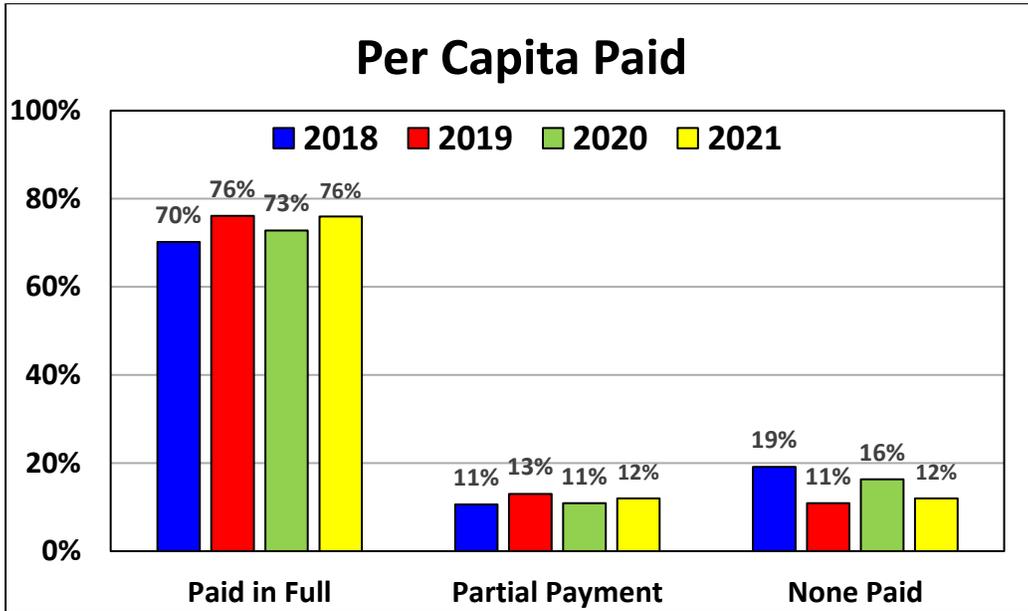
Balance Sheet

Before reviewing our 2021 end of year Income Statement, I call your attention to our Balance Sheet, which lists our assets and how they are dispersed into restricted and unrestricted funds. Our investments increased over \$85,000, almost 12%, in 2021. Please note that we did not sell any of our investments. So, while you will see an excess of income compared to expenses on the Income Statement, the checking account decreased by almost \$58,000, as shown on the Balance Sheet. We continually monitor the checking account balance to ensure ample cash to pay our expenses.

Income Statement

Income was up across the board.

- Per capita was comprised of payments for the prior year 2020 (\$7,729) and for 2021 (\$195,977). Notice that the amount for 2021 was almost exactly what we anticipated at the 85% level of members covered. Our per capita giving for 2021 compares to prior years as shown in the graph below.



- Mission giving also exceeded expectations.
- Investment (\$85,420) and dividend (\$1,536) income well exceeded our budget projections.

Budgeted Expenses were less than expected by just shy of \$38,000.

- Personnel and Office costs were close to what was budgeted.
- Admin costs were lower primarily due to lower “unpaid per capita” than expected. We had a carry over from 2018 that helped. Our assemblies were all Zoomed, which kept the cost of Assemblies below budget as well.
- While Program expenses were less than budgeted as a whole, COM costs were higher due to higher-than-expected use of Leaderwise to support a church in need. Leaderwise was budgeted to be \$4.5k and ended up at \$26k. We used \$12k from the Synod Transformation Grant (Building Congregational Vitality) and the remaining amount was posted against the Leaderwise line item in COM’s portion of the budget. New controls have been put in place to more closely monitor the use of Leaderwise going forward.

Net Income was a positive \$39.5k. However, when we subtract the gain in our investments, the impact on our checkbook was -\$45,919. That coupled with payouts for Leaderwise and payroll liabilities made the total decrease in our checkbook \$57,822.

Overall, 2021 was a good year financially, extending our “life” at least another year beyond our previous projection.

Looking ahead to 2022:

- Our office is quickly moving to a more virtual environment. This will reduce out rent by more than \$10,000 annually as well as our office assistance costs by more than \$40,000 annually.
- A new phone service will also eliminate the need for Comcast contract, saving almost \$4,000 annually.
- The use of Zoom by most committees and for those who won’t be attending Assemblies in person should also continue to reduce our overhead expenses.

Respectfully submitted
Bill Strawbridge