

Financial Report – December 1, 2020
Dave Bourell, Chair, Finance Team
Period: January 1 through November 30, 2020

Operating Budget

Income. Our year-to-date (YTD) total income is \$700,498.71. Congregational income (pledges, plate offering, special offerings, Sunday school offerings) is YTD \$599,869.28. The full-year 2020 adopted Budget for this category is \$740,444. Using the average December income for the last three years (\$73,389), I estimate congregational giving for the year to be \$673,258.28 which would be an over projection of 2020 income by \$67,185.72. Please note that this \$673k amount is congregational giving only and does NOT include building rental income, CDC income or the PPP grant. We were overly optimistic in estimating 2020 congregational giving income when the 2020 Budget was assembled. The loss of income from the CDC and building rental (i.e., Jazzercise) YTD is \$43,181.67. Fortunately, we received the CARES Act PPP grant “loan” for \$71,100 which has been fully forgiven. I also note that the church in 2019, in anticipation of hiring an associate pastor, set aside \$35,000 from the Alexander estate gift to cover any budget shortfall. We have thus far not needed to use these funds which are currently parked in the church checking account.

Expenses. Overall, total actual expenses YTD are \$698,739.57 which is significantly less than the 2020 Budget. Prorated budgeted expenses YTD are \$ 754,933.67 which means we have YTD underspent the expense-side of our budget by \$56,194.10. Large savings in actual YTD expenses versus total-year budgeted amounts include janitorial supplies (#63500, ~\$7k), education programming (#64150, ~\$9k), outreach (#64600, ~\$4k), office expense (#65300, ~\$9k), senior pastor professional expense (#65510, ~\$7k), senior pastor health insurance (#66115, ~\$6k), associate pastor housing/utilities/pension (#66120, ~\$20k), salaried/hourly employees (#66200/#66210, ~\$31k), love offering payment (#66250, ~\$6k) and utilities (#68600, ~\$15k). We overspent on facilities maintenance (#67200, ~\$15k).

Overall. We are YTD POSITIVE with a modest surplus of \$1,759.14. Barring a catastrophic income month in December, we should finish out the year just fine, keeping in mind that we have the \$35k buffer from the Alexander estate gift.

Looking to 2021. The primary financial concern for 2021 compared to 2020 is that there will be no PPP grant which is a net difference of \$71k. On the other hand, hopefully we will have CDC income in 2021 which I project to be a net positive difference of ~\$20k compared to 2020. It looks like 2021 may be a challenging year with respect to assembling a balanced budget.

Build-Serve-Grow Loan. The end-of-November loan amount is \$351,718.48. We made (YTD) principal payments in 2020 of \$70,671.10. Interest YTD is \$13,465.55, paid from the operating budget. We are currently 16 months into the three-year program. Assuming capital campaign pledges are paid out at the current rate for the remaining 20 months with interest paid from operations, at the end of the campaign (August 2022), the loan balance will be ~\$220k. We will need to figure out how to pay this at that point. Likely possibilities are rolling it into the operating budget and/or having another capital campaign.