



We started 2020 with a \$42,000 surplus and a plan for ministry, outreach, library funding and a year filled with music! I was excited to start my first year as your Treasurer. I can remember my first council meeting back in February. “Everything looks great” I reported. This was going to be easy .... enter COVID-19.

We didn’t know what to expect. The preschools closed, and with no tuition coming in, I started running financial scenarios showing when we would run out of cash. We began the PPP application process, but as many of you know from your own experiences – this was a frustrating and uncertain process. A big thank you to Judy Foland for all her work on the PPP application and managing the funds.

But in the midst of COVID-19 we were blessed: with PPP funds ultimately received in May, with suspended mortgage payments and vendors who volunteered to reduce their rates, with the leadership of our pastors to redefine worship while keeping us safe and especially with generous members who not only continued to give but found a way to give more.

*And now for the numbers....*

**Financial Impact of COVID-19**

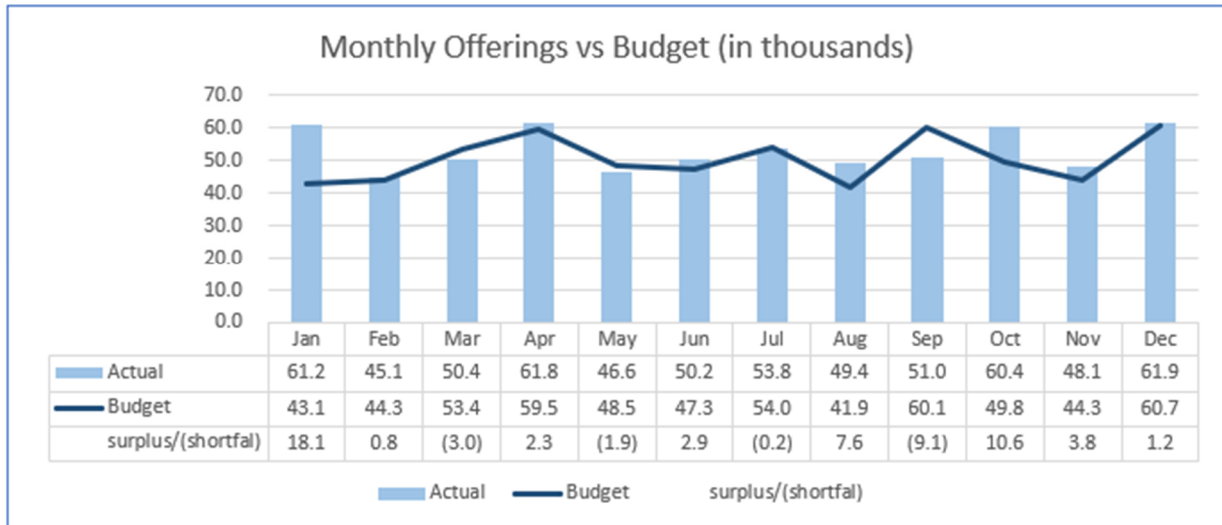
COVID-19 hit us from all directions, but thanks to the PPP funds, we netted a \$12k surplus.

<b>Lost Tuition - Preschools</b>	\$	(266,349)	
<b><u>Reduced church spending</u></b>			
3 x Mortgage	17,205		Mortgage payments suspended from May thru July
Music	6,893		Guest musicians and supplies
Family Ministry/Education	5,698		delayed planned investment in library
Ministry / Outreach	1,887		hospitality related expense
Other operations	6,064		utilities, janitorial and grounds services
<b>Total reduced church spend</b>	\$	37,747	
Reduced Preschool spending	\$	6,264	Classroom / groceries
<b><u>Covid Related Expenses</u></b>			
Church	(22,423)		Air Filter systems, special cleaning supplies, PPE and
Preschools	(10,684)		outdoor / virtual worship equipment
<b>Total Covid expense</b>	\$	(33,106)	
Net Impact	\$	(255,445)	
PPP Fundes Received	\$	267,120	
<b>Net Impact, after PPP</b>	\$	<b>11,675</b>	

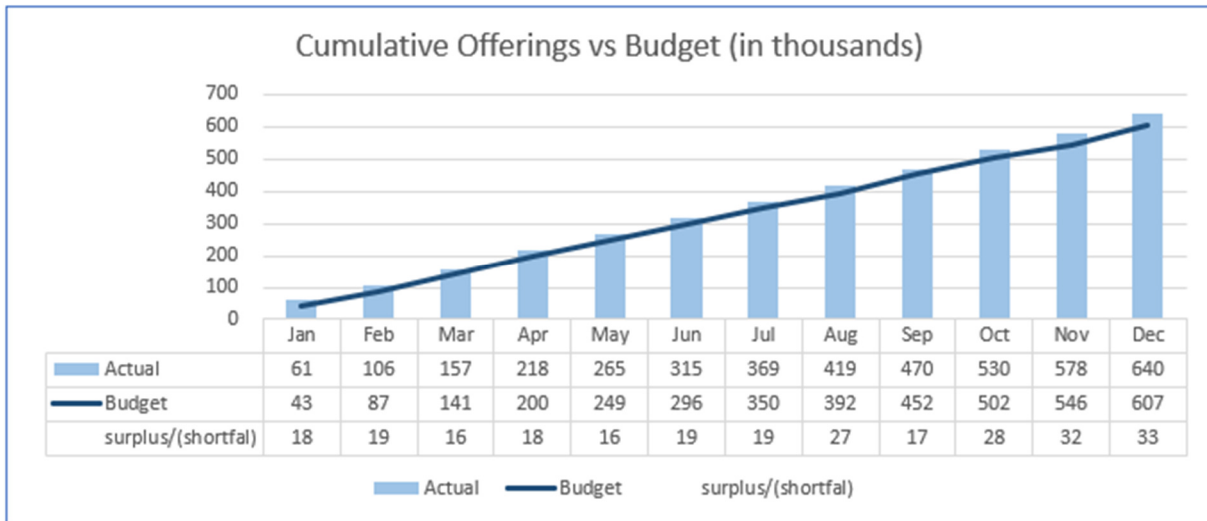
## 2020 ACTUAL VS BUDGET

### Offerings Exceeded Expectations!

\$33k or 5% over budget (\$640k vs \$607k)



Offerings surplus held throughout the year



### Shortfall in Preschool reimbursement was off-set with PPP funds:

The church had a balanced budget last year based on receiving \$170k from the preschools as reimbursement for shared costs including property, maintenance and office related expenses. However, with the shut-down of the preschools in April and gradual return in the Fall, we suspended monthly reimbursements totaling \$93k for the year. This shortfall is off-set by PPP funds received.

## On-Target Expenses

Church spending was \$10k or 1% under budget (\$782k vs \$792k). Unfortunately, this is because unplanned COVID-19 related expenses replaced planned spending on music, outreach and education.

## Operating Surplus of \$31k

Thanks to the generous giving of our members and the great fortune of PPP funds, the church had an operating surplus in 2020 of \$43k. Partially off-set by an operating shortfall at the Preschools of \$12k

	<u>2020 Actual</u>	<u>2020 Budget</u>	<u>Favorable (Unfavorable) \$ %</u>	
<b>CHURCH</b>				
Offerings	639,857	606,771	33,085	5%
Other Income	15,407	15,320	87	1%
Preschools - <i>shared cost reimbursement</i>	76,367	169,704	(93,337)	-55%
PPP funds received	<u>93,337</u>		<u>93,337</u>	
<b>Income</b>	<b><u>\$824,968</u></b>	<b><u>\$ 791,795</u></b>	<b><u>\$ 33,173</u></b>	<b><u>4%</u></b>
Staffing	438,752	433,459	(5,293)	1%
Music	7,557	14,450	6,893	-48%
Education / Library	886	6,402	5,516	-86%
Ministry	7,018	7,200	182	-3%
Worship	7,772	5,000	(2,772)	55%
Outreach	55,260	57,147	1,887	-3%
Office	54,403	51,923	(2,479)	5%
Property	101,379	119,968	18,589	-15%
Maintenance	<u>108,737</u>	<u>96,246</u>	<u>(12,491)</u>	<u>13%</u>
<b>Total Expense</b>	<b><u>781,765</u></b>	<b><u>791,795</u></b>	<b><u>10,031</u></b>	<b><u>-1%</u></b>
<b>Net Income</b>	<b><u>\$ 43,203</u></b>	<b><u>\$ (0)</u></b>	<b><u>\$ 43,203</u></b>	
<b>PRESCHOOLS</b>				
Operating Shortfall	(185,723)	na		
PPP	<u>173,783</u>	na		
<b>Net shortfall</b>	<b><u>(11,940)</u></b>	<b><u>na</u></b>		
<b>Combined Surplus</b>	<b><u>\$ 31,263</u></b>			

## 2021 BUDGET

*We will pray for the best but plan with something else in mind.*

The offerings budget is 5% less than last year based on pledges and conservative estimates of non-pledged giving. Most expense categories have been reduced below 2020 levels to the extent there were non-recurring COVID-19 expenses in 2020 and based on the assumption that we will not be “back to normal” until late in the year.

Unfortunately, we were not able to balance the budget and will need to use our reserves to resolve the \$26k shortfall.

	<b>2021 Budget</b>	<b>2020 Actual</b>	<b>Favorable (Unfavorable)</b>	
			<b>\$</b>	<b>%</b>
<b>CHURCH</b>				
Offerings	610,000	639,857	(29,857)	-5%
Other Income	-	15,407	(15,407)	-100%
<i>Shared Cost Reimbursement</i>	<i>169,704</i>	<i>76,367</i>	<i>93,337</i>	<i>122%</i>
PPP		93,337	(93,337)	-100%
<b>Income</b>	<b>\$ 779,704</b>	<b>\$ 824,968</b>	<b>\$ (45,264)</b>	<b>-5%</b>
Staffing	450,274	438,752	(11,522)	3%
Music	4,450	7,557	3,107	-41%
Education	500	886	386	-44%
Ministry	4,500	7,018	2,518	-36%
Worship	7,100	7,772	672	-9%
Outreach	55,647	55,260	(387)	1%
Office	50,753	54,403	3,650	-7%
Property	119,620	101,379	(18,241)	18%
Maintenance	108,053	108,737	684	-1%
<b>Total Expense</b>	<b>\$ 800,897</b>	<b>\$ 781,765</b>	<b>\$ (19,133)</b>	<b>2%</b>
<b>Net Income</b>	<b>\$ (21,193)</b>	<b>\$ 43,203</b>	<b>\$ (64,397)</b>	
<b>PRESCHOOLS</b>				
<b>Income</b>	<b>\$1,172,250</b>	<b>\$ 859,184</b>	<b>\$ 313,066</b>	<b>36%</b>
PPP		173,783	(173,783)	
<b>Income</b>	<b>\$1,172,250</b>	<b>\$1,032,967</b>	<b>\$ 139,283</b>	<b>13%</b>
Staffing	952,257	906,234	46,023	5%
Direct Costs	55,052	62,306	(7,254)	-12%
<i>Shared Cost Reimbursement</i>	<i>169,704</i>	<i>76,367</i>	<i>93,337</i>	<i>122%</i>
<b>Total Expense</b>	<b>\$1,177,013</b>	<b>\$1,044,907</b>	<b>\$ 132,106</b>	<b>13%</b>
<b>Net Income</b>	<b>\$ (4,763)</b>	<b>\$ (11,940)</b>	<b>\$ 7,178</b>	<b>-60%</b>
<b>COMBINED</b>				
Income	1,782,250	1,514,448	267,802	18%
Expense	1,808,206	1,750,305	57,901	3%
<b>Net Income (excluding PPP)</b>	<b>\$ (25,956)</b>	<b>\$ (235,857)</b>	<b>\$ 209,901</b>	<b>89%</b>
PPP		267,120	(267,120)	
<b>Net Income (including PPP)</b>	<b>\$ (25,956)</b>	<b>\$ 31,263</b>	<b>\$ (57,219)</b>	

We will continue to monitor our cash closely and keep a tight reign on spending.

A big shout out to Mark Stauffer who has always been so willing to help and was a key contributor in the budget process.

Blessings,

Melissa Ontiveros