

St. Stephen's Treasurer's Report for 2022 Annual Meeting - 1/23/22

I have to start off with a disclaimer...2021 is skewed due to early date of this meeting with not all December payments clearing the bank yet. There was also a major problem with the payroll company in December which will be discussed later.

2021 Revenue—Investment income fell short as budgeted “guess” was a bit too high. Loose plate decrease reflects period of no in-person services. Pledges were short. Parishioners have taken advantage of paying online through the Diocese & have increased the use of mailing check directly from their bank. There is still time to finish off your '21 pledge! (Side note – since COVID, Dennis & I have been doing 2 deposits/month instead of each week. You may have noticed this on your bank statement.) With the 2 major lines down, this is reflected in Revenue not meeting budget.

2021 Expenses – This is the category where the “skew” is. We have noticed that some vendors have been slow in cashing checks as have we with only 2 deposits/month. We also had a major mistake by the payroll company in December, the worst time of year since it can't be corrected fast enough to make it into 2021.

Building & Office lines were held in check with everyone being conscience of spending. Thanks for remembering that lights have off switches. Personnel is where the accounting skew comes in. Lay Employee Pension shows a negative number which is wrong. The budgeted amount should be reflected there. Dennis wouldn't let us not get that paid! Salaries look like we're over budget. The payroll company paid Drew & Dennis twice at the end of the month in error. We love them but... I have to reflect the numbers as of 12/31. It will all be corrected but not until January. So salaries look over budget due to 3rd error pay. Utilities were right at budget & that was with almost 2 weeks with REACH Inc. & the warming center, for which REACH paid us. Bottom line, Salary & Lay Pension issues will straighten out making Total Operating Expenses about right.

2022 Budget – When the Vestry took their first look at the 2022 budget, they saw a bottom line of a negative \$54,000. That prompted discussion & a decision to make our investments work for us better & take a 4% draw on the Walker & Unrestricted accounts totally approximately \$60,000. Current non-profit thought is that 5% draw on investments is considered standard as the stock market is seeing an average 5-7% increase each year. We are going conservatively at 4% & taking only what we need to bring the budget in line. This will also help with budgeting, having a better handle on how much we will receive from investments. Increase in Total Other reflects our portion of the teen ministry leader's salary at Central Presbyterian in which our kids participate. Under Personnel Expenses, we are giving Drew & Dennis a cost of living increase of 5.9%. Increased Utilities due to expected continued use as warming center & gas price hike of possibly 33%. Apportionment to diocese has decreased. Bottom line now reflected at \$-1138.

Due to the “skew” issues, I will report back to the congregation at the end of the 1st quarter to show better numbers.

Special Funds – Per auditor's request, I started the process of moving some money around within certain accounts to clean-up negative balances. Special fund balances should not be in the negative as that shows you have spent money you don't have in that specific fund. That is reflected in the right hand side comments as “clean-up”. Historic Building spending shows clean-up & Dennis' new office door.

Memorial income shows bequest from Joyce Brosey and donations to stain glass project. Any money needed to complete windows will come from Joyce's money. Under Outreach/Warming Center expense is cleaning /resealing of Great Hall floor & split of donations with REACH Inc. Available cash on hand is \$349,915.

Respectfully submitted,

Peggy Allen, Treasurer