

# 2021 Proposed Budget Review

Jack Ruse - Treasurer

## Major Assumptions:

- 1) COVID – The budget assumes we are in a COVID environment for the first 6 months of 2021 and a non- COVID environment for the last 6 months of 2021.
- 2) The Youth Director position is not filled until April 2021.
- 3) Overall the budget has Congregational giving \$5,000 to \$7,000 higher than 2020 with more of this increase coming in the second half of the year as we get back to “normal” with more participation.

## Summary

In 2020 we were able to achieve a surplus of income over our expenses through increase congregational giving and reduced operating expenses due to COVID and reduced pastoral expenses.

In 2021 our operating expenses, including pastoral expenses, will increase. We expect increases in income both from the congregation and third parties but not enough to balance our budget. It is expected we will need to draw around \$17,000 to \$20,000 from the endowment to cover our expected budget deficit. In the past we have run much higher deficits that have reduced endowment principal. In 2021 we should be able to cover the deficit from investment income alone.

## Income

The budget assumes our expenses will go up by around \$40,000. As the COVID threat is reduced in 2021 we expect third party income to rebound from its current lows. An increase in congregational giving is also forecasted. As you can see below we will still need to draw around \$17,000 to \$20,000 from the endowment to cover our expected deficit. Any surplus from 2020 will be rolled over into 2021 to further reduce the 2021 deficit

## Current Income - 2019 Actual 2020 Est. 2021 Budget

| <b>Current Income</b>             | <b>2019</b>      | <b>2020</b>      | <b>2021</b>      |
|-----------------------------------|------------------|------------------|------------------|
| Weekly envelopes                  | \$185,286        | \$205,000        | \$207,200        |
| Other individual giving           | \$21,114         | \$9,800          | \$15,200         |
| Third Party Use Income            | \$49,025         | \$25,905         | \$36,650         |
| Endowment                         | \$9,042          | \$0              | \$20,000         |
| <b>Total</b>                      | <b>\$264,467</b> | <b>\$240,705</b> | <b>\$279,050</b> |
|                                   |                  |                  |                  |
| <b>Current Operating Expenses</b> | <b>\$264,467</b> | <b>\$236,365</b> | <b>\$276,582</b> |
| <b>Net Balance</b>                | <b>\$0</b>       | <b>\$4,340</b>   | <b>\$2,468</b>   |

## Expenses - 2019 Actual 2020 Est. 2021 Budget

### Pastoral Care

In 2021 St John's goes from a part time retired bridge pastor to a full time Pastor with a normal PORTICO benefit package. This change is mostly responsible for the increase you see below in 2021. Despite the increase, the 2021 pastoral care budget is still \$12,000 less than what was spent in Pastor Sarah's last full year due to the high health care insurance that was carried in that budget to cover her family. Note - 2020 maintenance includes moving related expenses.

| Pastoral Care         |               |               |               |
|-----------------------|---------------|---------------|---------------|
| Expense Item          | 2019 Actual   | 2020 Est      | 2021 Budget   |
| pastor salary         | 30,640        | 28,500        | 45,000        |
| car exp reimbursed    | 2,330         | 3,150         | 4,100         |
| social security       | 1,630         | 400           | 4,559         |
| Maint/Moving          | 845           | 13,000        | 1,200         |
| pension /life/dis ins | 6,850         |               | 10,648        |
| health Ins            | 14,000        | 10,000        | 9,922         |
| continuing ed.        | 0             | 0             | 1,000         |
| Parsonage utilities   | 4,007         | 4,200         | 4,400         |
| Supply pastors        | 2,450         | 450           | 1,350         |
| <b>Sub-total</b>      | <b>62,752</b> | <b>59,700</b> | <b>82,179</b> |

### Worship & Music

The Worship & Music budget has increased in 2021 due to the assumption of a return to normal church services in the second half of the year. Flowers & bulletins income offset most or all of the expense when we have regular services.

| Worship & Music        |               |               |               |
|------------------------|---------------|---------------|---------------|
| Expense Item           | 2019 Actual   | 2020 Est      | 2021 Budget   |
| Music Director: salary | 29,431        | 29,520        | 30,020        |
| social security        | 2,252         | 2,243         | 2,281         |
| Worship supplies       | 1,785         | 1,500         | 1,500         |
| Flowers                | 5,101         | 2,450         | 3,625         |
| Bulletin paper         | 644           | 650           | 875           |
| Piano/organ maint      | 1,902         | 1,100         | 1,800         |
| Supply organists       | 825           | 500           | 750           |
| Choir section leads    | 10,222        | 6,500         | 7,500         |
| Special needs care     | 1,560         | 450           | 780           |
| Sheet music            | 1,526         | 1,200         | 1,250         |
| <b>Sub-total</b>       | <b>55,248</b> | <b>46,113</b> | <b>50,381</b> |

## Parish Administration

The Parish Administration budget increases by 4.7% due mostly to increased hours for the office administrator in the second half of the year, increased copier use as we go back to normal services, and the Visual Arts program is up and running by the second half of the year. We are saving money on our new church copier both now and over its 5 year lease.

| <b>Administration</b>    |               |               |               |
|--------------------------|---------------|---------------|---------------|
| Office Admin Salary      | 11,350        | 10,100        | 11,300        |
| Social Security          | 805           | 773           | 865           |
| Bookkeeper Salary        | 13,293        | 13,200        | 13,460        |
| Social Security          | 1,017         | 1,009         | 1,029         |
| Phone/Internet/Web       | 5,047         | 5,400         | 5,400         |
| Office supplies          | 6,434         | 7,000         | 7,000         |
| Postage                  | 1,462         | 1,150         | 1,150         |
| Copier lease/ Maint fees | 6,816         | 2,350         | 3,500         |
| Meetings/special events  | 450           |               | 600           |
| Workers comp. insur.     | 3,684         | 3,500         | 1,928         |
| Stewardship/envelopes    | 670           | 700           | 700           |
| Social Min./soup suppers | 30            |               |               |
| Kitchen Supplies         | 280           | 100           | 300           |
| Visual Arts program      | 7,001         | 2,530         | 3,300         |
| <b>Sub-total</b>         | <b>58,339</b> | <b>47,812</b> | <b>50,532</b> |

## Christian Education

The Christian Education budget is in line with the 2020 budget. Starting in the second quarter of 2020 Church Council ended paying the Youth Director from the endowment and made it a current expense budget item. This continues in the 2021 budget.

| <b>Christian Education</b> |              |               |               |
|----------------------------|--------------|---------------|---------------|
| Sun School /Adult Ed       | 1,264        | 1,512         | 1,250         |
| VBS                        |              | 305           | 400           |
| Youth Director Salary      |              | 12,225        | 12,225        |
| Youth Director FICA        |              | 935           | 935           |
| <b>Sub-total</b>           | <b>1,264</b> | <b>14,977</b> | <b>14,810</b> |

## Building Services

The building services budget increases by 12.6% in 2021 reflecting the increase use of our facilities as we return to normal operations. We saved money in 2020 that is reflected in 2021. We achieved a reduction in our insurance premium by going to a new insurance company in October. We also signed up with a lower cost natural gas provider for the next two years and we expect to see better efficiency from our brand-new gas boiler in the church.

| <b>Building Services</b>   |               |               |               |
|----------------------------|---------------|---------------|---------------|
| Facilities Coordinator     | 11,213        | 9,000         | 10,200        |
| social security            | 837           | 688           | 780           |
| Maint./services/supplies   | 12,088        | 7,200         | 9,600         |
| Cleaning Service           | 5,996         | 2,000         | 4,000         |
| Electricity (ch/sch/ lot)  | 8,829         | 6,900         | 8,000         |
| Custodial Fee/Rm Rent      | 1,100         | 450           | 600           |
| Natural gas                | 5,046         | 4,900         | 4,600         |
| Public water               | 3,387         | 1,600         | 2,200         |
| Trash removal              | 2,271         | 2,550         | 3,000         |
| Snow removal               | 3,695         | 1,000         | 3,200         |
| Sewer fee                  | 2,025         | 1,000         | 1,500         |
| Elevator maintenance       | 3,811         | 3,975         | 4,000         |
| HVAC maintenance           | 4,280         | 4,300         | 4,500         |
| Prop & liability insurance | 12,386        | 13,400        | 12,500        |
| Grounds maintenance        | 9,900         | 8,800         | 10,000        |
| <b>Sub-total</b>           | <b>86,864</b> | <b>67,763</b> | <b>78,680</b> |

## Benevolence Fund

Our Benevolence giving has remained in the range of \$21,000 to \$22,000 over the last two years. We pass on to the Synod whatever we collect.

| <b>Benevolence Fund</b> | <b>2019</b>     | <b>2020</b>     | <b>2021</b>     |
|-------------------------|-----------------|-----------------|-----------------|
| Weekly Envelopes        | \$20,179        | \$21,000        | \$21,000        |
| Other individual giving | \$1,955         | \$250           | \$1,000         |
| <b>Total</b>            | <b>\$22,134</b> | <b>\$21,250</b> | <b>\$22,000</b> |
| Synod                   | \$22,134        | \$21,250        | \$22,000        |

## Mortgage Fund

We rolled over our mortgage with Univest this year and we now have a lower monthly payment (\$13,600/year). All funds above the yearly minimum go to pay down additional principal.

In 2019 we had funds from 2018 that got used in 2019.

| <b>Mortgage Fd - 2019 Bal \$115,400 2020 Bal \$106,028</b> |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| Monthly envelopes  | \$15,399        | \$14,700        | \$14,500        |
| Mortgage Fundraising                                       | \$0             | \$0             | \$0             |
| <b>Total</b>   | <b>\$15,399</b> | <b>\$14,700</b> | <b>\$14,500</b> |
| <b><i>Sent to Univest</i></b>                              | <b>\$16,689</b> | <b>\$14,700</b> | <b>\$14,500</b> |

## Capital Improvements

A number of needed capital improvements were made this year. We replaced the 40+ year church boiler; repaired the church bell tower; replaced the a/c units in the Troster room; repaired leaking Church roof and school roof; invested in an audio video system for recording and streaming church activities; we upgraded our current office computers with better and faster hard drives; we insulated the space under the parsonage kitchen to improve winter comfort. We are waiting to have two dead trees removed that can fall on the parsonage, and a project was just completed to improve water drainage away from both the cemetery and church/school.

| <b>Capital Improvements 2018 - 2020</b>          |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| <b>Income Sources</b>                            | <b>2019</b>     | <b>2020</b>     | <b>2021</b>     |
| Endowment  | \$14,000        | \$46,000        | \$16,000        |
| Individual Giving / Plus Insurance funds in 2019 | \$17,180        | \$2,600         | \$3,000         |
| Fundraising                                      | \$13,457        | \$12,675        | \$6,850         |
| <b>Total</b>                                     | <b>\$44,637</b> | <b>\$61,275</b> | <b>\$25,850</b> |
| <b><i>Spent on Capital Improvements</i></b>      | <b>\$40,506</b> | <b>\$60,350</b> | <b>\$25,850</b> |
| <b>Net</b>                                       | <b>\$4,131</b>  | <b>\$925</b>    | <b>\$0</b>      |

## Use of Endowment Funds

Over the last five to ten years St John's has spent more than it should from the endowment. Many financial advisors suggest taking out no more than 4 to 5% of your investment funds in any year, to meet current needs. In the past we have spent from 6% to 10% of our investment funds to meet our needs.

In 2020 we expect to use about 4.3% of our investment funds to meet our current needs, and in 2021 we hope to hold that spending to 3.6% to 4% of our investment funds. This is a benchmark we have been working a long time to achieve.

### ***St John's Endowment Balance as of 11/19/2020 - \$1,264,508***

| <b>Use of Endowment Funds 2019 - 2021</b> |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
|   | <b>2019</b>     | <b>2020</b>     | <b>2021</b>     |
| <b>Fund Operating Deficit</b>             | \$24,750        | \$0             | \$20,000        |
| Property / Capital Expense                | \$14,000        | \$46,000        | \$16,000        |
| Youth Group                               | \$0             | \$500           | \$500           |
| Mission Ministry                          | \$2,000         | \$2,000         | \$4,000         |
| Music                                     | \$4,500         | \$2,000         | \$3,000         |
| Evangelism                                | \$1,000         | \$1,000         | \$1,000         |
| <b>Sub Total</b>                          | <b>\$46,250</b> | <b>\$51,500</b> | <b>\$44,500</b> |
| <b>Youth &amp; Family Director</b>        | <b>\$17,260</b> | <b>\$4,315</b>  | <b>\$0</b>      |
| <b>Total</b>                              | <b>\$63,510</b> | <b>\$55,815</b> | <b>\$44,500</b> |
| <b>Withdrawal Percentage</b>              | <b>6.0%</b>     | <b>4.3%</b>     | <b>3.6%</b>     |

If you have any concerns or questions please contact Jack at: [jackruse@gmail.com](mailto:jackruse@gmail.com)