



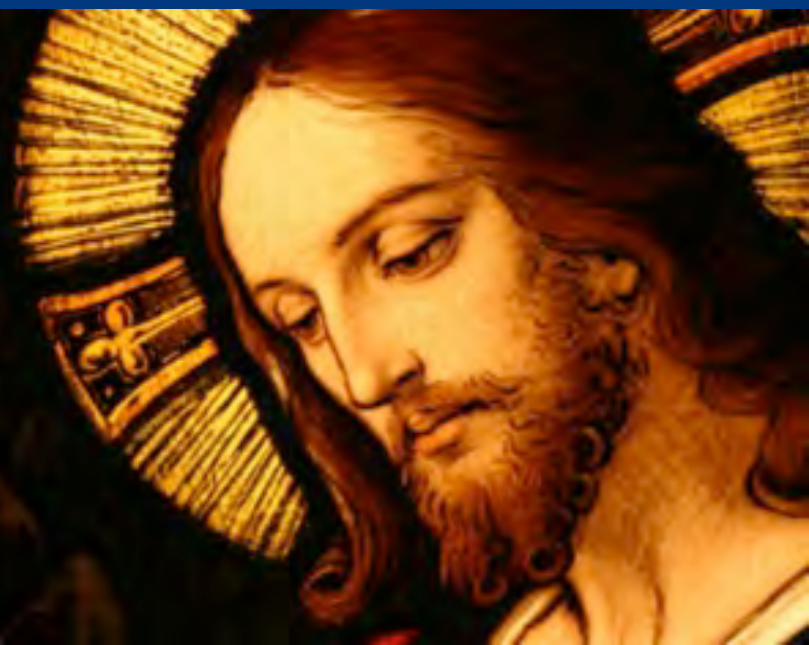
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Treasurer's Report

December 21, 2021

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- November 2021 YTD loss looks to be \$505k (taking what we believe to be a \$431k net loss through September and adding in another \$75k loss across October and November). For comparison, November 2020 YTD loss was reported at \$566k. November 2019 YTD loss was reported at \$360k.
- Per the numbers above, the Vestry has approved deficit-spending budgets for the parish for the last several years.
- The current bank balance should cover December expenses fully. If December 2021 net income mirrors December 2020 (approximately \$200k), then the net total loss for 2021 could be closer to \$300k (or possibly lower than that once preschool contributions flow all the way through the financials at some point).
- Forward looking 2022 budget estimates project that, as in 2021 and 2020, there will be a shortfall of approximately \$400K in Net Operating Income. This shortfall mirrors annual pledged giving.
- In round numbers, annual pledged giving totals have fallen and then leveled off over the last several years – moving from approximately \$1.6M in 2019, to \$1.2M in 2020, to \$1.15M in 2021. Current projections estimate 2022 at around \$1.2M. Note: annual non-pledged giving averages around an additional \$200k per year.
- As the Vestry crafts the 2022 parish budget, it should consider the strategic implications of continuing to deficit spend, with the concomitant requirement that additional funds will have to be transferred from Kingdom to Operating in CY 2022 in order to cover projected income and operating expense shortfalls. At the highest level, either the choice is to continue on the same budget trajectory as in prior years in anticipation of greater levels of giving and revenue or to make adjustments in 2022 to better balance income and expenses now.

2022 Financial Landscape

Projected 2022 Revenue

- Pledged Giving: \$1.2M
- Non-Pledged Giving: \$0.2M
- Holiday: \$0.2M
- Miscellaneous Giving: \$0.1M
- Net Preschool: \$0.15M
- Total: \$1.85M

Projected 2022 Expenses

- Items traditionally in our budget: \$2.25M (including payroll and programs, but assuming no real increase in either for 2022)
- Items traditionally funded by Kingdom: \$0.3M
- Total: \$2.55M

Projected 2022 Net Loss = \$0.7M (Net Loss combines total for items traditionally funded by Kingdom with operating loss)
(Note: this is a relatively conservative, tied to historical averages, number which will be refined further in January 2022)

Kingdom

- Projected starting balance (Jan 2022): \$1.3M (includes a little over \$1M in the bank now and pledge collection of \$0.3M)
- Kingdom building expenses as above in 2022: \$0.3M
- Potential 2022 Deficit funding: \$0.4M
- Projected ending balance (Dec 2022): \$0.6M

Deficit Reduction Efforts

Concrete next steps to try to reduce the projected 2022 deficit

Increase existing Kingdom Campaign pledge payment ratio

Increase annual giving

Look for additional savings in vendor relationships and other non-payroll and non-program expenses

Potential further deficit reduction actions

Consider Staff reconfigurations

Consider Program tightening

Consider amending the Endowment provisions (likely requires 2/3 Vestry vote for 2 consecutive meetings)

General

Continue to engage and inform the parish membership so that it can best support known needs

The calling and announcement of a new Rector in 2022 should have a positive impact on giving

Optimizing the financial support function for the parish should enable better real-time management of cash flows



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