2022 First Quarter Budget Narrative

Balance Sheet

Our Balance Sheet lists our assets and how they are dispersed into restricted and unrestricted funds. We normally list the one-year difference on our balance sheet, but I thought we should include what has happened since we closed the books in December 2021. While our checking account has increased because we haven't had many large expenses thus far in '21, our investments have decreased over $52,000 from the year end 2021. We continually monitor the checking account balance to ensure ample cash to pay our expenses, especially when the markets are down.

Income Statement

<u>Income</u> (first quarter = 25% of year)

Our primary source of cash flow throughout the year is per capita, mission giving, and the trust clause payments. Our per capita remains at $35.25 per member for 2022. With a presbytery membership of 9,714 our total per capita income should be $342,418. Of this total, $37,010 and $87,232 is sent on to Synod and GA respectively, leaving $218,176 for the presbytery.

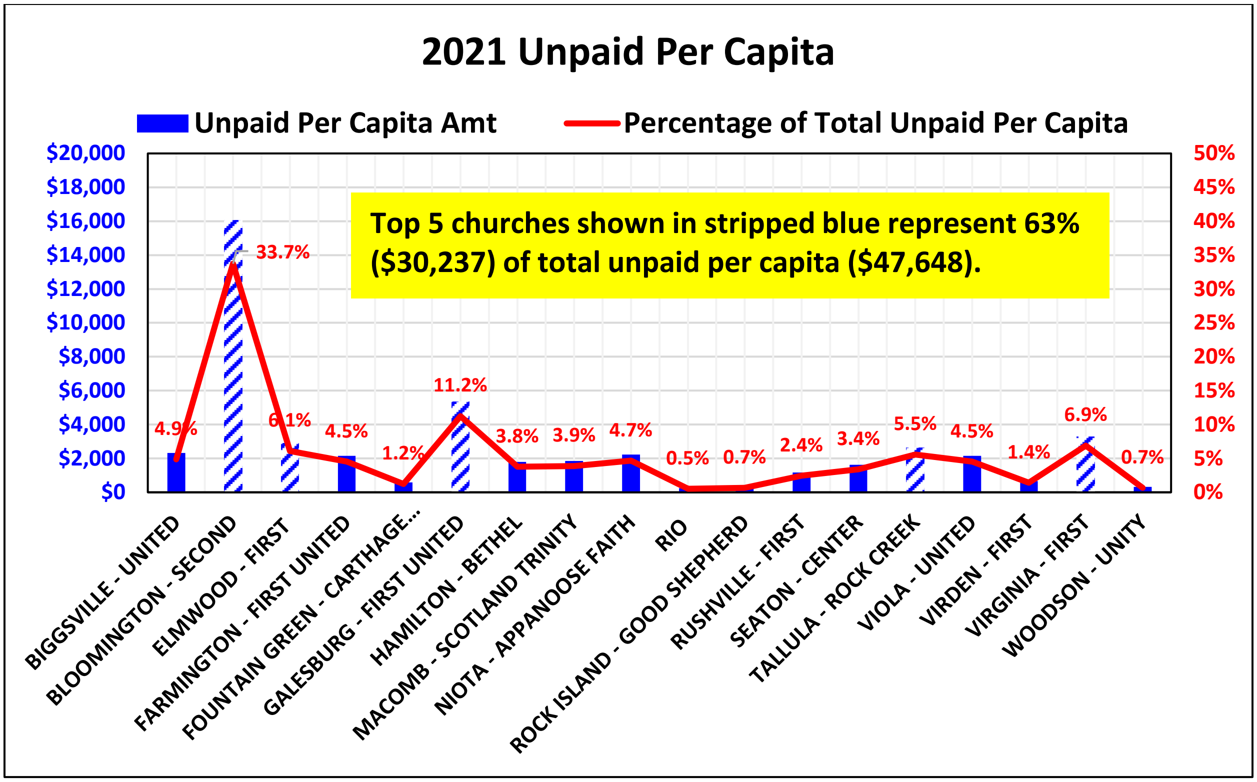
You'll note we only budgeted $185,452 or 85% of what we should receive ($218,176). That has been the amount we have received from churches over the past 4-5 years. That difference represents $32,726 in lost income to GRP. In addition, GRP pays the full amount owed to Synod and GA. When churches don't pay their full amount, that difference of $18,637 results in an unpaid per capita expense to GRP. **The total impact on lost income and extra expense is $51,363 of lost cash flow, each year!**

2022:

- While per capita is ahead of plan at 34% in the first quarter, 29% represents 2022 per capita giving and 5% represents 2021 completed per capita giving. (See graph below for the breakdown of unpaid per capita for 2021.)

- Mission giving is just below plan at 23%. However, our churches have given generously to the Presbytery Disaster Relief organization – more than $85,000. Thank you for your generosity.

- As mentioned above, our investments are down from year end 2021 by more than $52,000. While this does not represent a loss to our checkbook (unless we sell our securities), it does reflect negative impact on our assets.



Expenses

- Personnel costs are below plan because when we put the budget together, we assumed Ryan would be full time again in 2022. However, we have a contract with John for much less than Ryan's package.
- Office costs are close to what was budgeted. Those costs will decrease after April 1 because of the new lease we signed with FFC reducing our monthly rent from over $1100 to $350.

As can be seen there are very few other costs under Administration and Program expenses. We expect those cost to increase with the awarding of grants from Visioning and with invoices from Synod and GA for unpaid 2021 per capita.

While the bottom line shows us at a negative $19,397 for revenue compared to expenses, if we adjust for the negative *investment income*, our actual cash flow is +$37,739. That is why the checking account shows an increase compared to December 31, 2021, on the Balance Sheet.

Respectfully submitted
Bill Strawbridge