

January 30, 2022

TO: COR Congregation

FROM: Deb Webber, Treasurer

## **Review of Redeemer's 2021 Financials and our Proposed 2022 Budget**

We begin 2022 thankful to God for his provision and for your faithfulness in giving, which created a surplus of about \$10,000 for 2021 after we met all expenses. That surplus will be applied towards principal payments due on our mortgage in 2022.

General fund giving (meaning all non-designated gifts) totaled \$413,880 for 2021; our operating expenses came in at \$403,784. The 2021 operating budget was \$404,071. Our expenses were very close to the budget, but your giving was greater.

The 2022 Budget was prepared by the Vestry and is presented to you for your consideration. Please see general notes below.

There are three main categories in our operating budget:

- Ministry
- General & Administrative
- Payroll & Benefits

For 2022, more resources are directed towards Ministry and Payroll and proportionally less towards overhead expenses (General & Administrative). We believe that the overhead expense savings are reasonable because we have now had 2 full years of experience managing our building and because of the interest savings achieved on our mortgage.

### **Ministry**

More resources are directed toward Youth and Children's Ministries as well as Music and related Worship expenses in 2022. Mission (stipends to our Rwanda Missioners and our contribution to the Diocese) fall under the main category of Ministry. The increased expenses in Youth and Children's Ministries are partly offset by a somewhat lower 2022 required contribution to the Diocese.

### **General & Administrative**

The biggest savings in 2022 should come from holding the line on overhead expenses and from the ongoing savings achieved by:

- The May 2021 refinance of our mortgage which dropped the interest rate from 4.75% to 4.25% and the monthly payment from \$5,366 to \$5,151; and
- The extra payments of \$53,000 made in 2021 towards the mortgage principal bringing our current balance down to \$724,500. A combination of designated gifts plus drawing

down some of the remaining funds in our Building Fund made the early repayment possible

### **Payroll & Benefits**

The 2022 budget includes a 3% Cost of Living increase for our clergy & staff. A stipend of \$3,900 is included to hire a Sexton (Facilities Manager) and there is \$6,000 set aside for a potential community outreach role although action cannot be taken towards that until we have a resolution on the current investigation.

### **Summary**

The resulting budget provides \$413,266 in operating expenses and \$9,269 for the unfunded portion of principal due on the mortgage in 2022. The average weekly giving needed to meet this budget is \$8,125 which is 2% above the actual average weekly giving in 2021.

### **Further notes about the mortgage principal**

The 2021 operating budget did not include the scheduled principal on the mortgage (\$26,215) because the 2021 principal payments were paid from the Building fund plus new designated building gifts given in 2021.

For 2022, we needed to include the unfunded mortgage principal in the budget. In late 2021 we received a designated gift of \$9,000 for 2022 principal payments and, as mentioned above, will apply the surplus of \$10,000 from 2021 towards principal as well. That leaves \$9,269 of the principal “unfunded” which is the amount included in the proposed 2022 budget.

### **Types of Giving**

All General giving received in 2022 will be applied to our operating expenses and the unfunded principal payments on our mortgage.

Designated Gifts (as defined below) will be applied as designated.

- Gifts for the Rector’s and Deacon’s Funds, also called Discretionary Funds (2021 Discretionary Fund gifts were \$11,300)
- Gifts for the Building Fund (2021 Building Fund gifts were \$49,250)
- Gifts for any other specified project or purpose

Thank you again for your generous giving. We welcome questions about the budget at our Annual Celebration, but would prefer you submit any questions ahead of time via email to [chredeemer@gmail.com](mailto:chredeemer@gmail.com)

Respectfully submitted,

Debra Webber (Treasurer) on behalf of the Vestry