

2021 Budget Explanations

Purpose

During December, we will either mail or email absentee sheet for the expressed purpose of approving the 2021 budget. Because of Covid, we will not have an annual meeting at church, hence, the necessity of the absentee vote. As always, only members are eligible to vote on the budget.

Overview

Attached is a excel document that will show some comparisons for the approved budget of 2019 (Column E), projected spending for yearend (Column G), and the proposed budget for 2021 (Column K). Projected spending is actuals through September and then projecting that for the rest of the year.

Because we did not have a church service in the building for 20 weeks, our giving for 2020 is down almost \$100,000 versus the budget (row 9). However, our spending is also down by about \$115,000. So we have been conscious of the giving and spending amounts.

Keeping in mind that Covid is still around, we are taking a conservative approach to the budget this year. If you compare the 2021 budget to the 2020 budget you will see that we are projecting expenses to be down by about \$50,000. However, compared to projected yearend spending we see the budget going up by about \$50,000 (compare figures in row 77)

Now for some comparisons

- Administrative costs will remain the same as 2021 as we will maintain such contracts as payroll and online giving.. For instance, online giving has been increasing and we pay a fee for that convenience to our members. It is similar to credit card expenses in stores in which they pay a fee based on the amount given. However, this year about 1/2 of our giving is through the online giving process.
- Loft Expenditures: Our current mortgage loan is \$9750/month but we are paying an additional \$5,000 each month from people who designate monies to the principle. We only use designated gifting as long as we are meeting our other expenses. So far, that has been not been an issue. Also, our building is over 13 years old and we will continue to fix and maintain it. We see our costs going down in the 2021 budget compared to both the 2020 budget and the projected 2020 yearend.
- Caring and community: The budget will not differ significantly. The biggest line item is benevolence which is 2% of our giving. One of our members works with other groups and provides monies to people needing bills paid. This can go to our congregation as well as people in the community.
- Ministries: This area will see the budget for 2021 almost \$7000 less than the 2020 budget as most of this groups have reduced their interaction during Covid. Children's Ministry is reduced as is Men's Ministry.

- Outreach: The biggest component of this category spending is missions. We have 10% of our giving going to missions. Some is campus ministries, some regional ministries, and many international. As our giving increases so does missions. There is just a slight decrease in this category.
- Worship: This area budgeted \$10,000 in 2020 but spent almost \$20,000. The bulk of this was for new equipment needed as we took our worship services on line. We also pay for CCLI (a license) which allows us to use music and the words during our worship. We also try to maintain our equipment and add new equipment. In 2021 our worship director, David Bear, plans to make several improvements. The 2021 budget will be \$13,000.
- Personnel Expenses: We budgeted in 2020 \$391,100 ut are projected to only spend \$322,796. Why an almost \$70,000 less in spending. There were several reasons: 1) after our youth director moved back to Texas at the end of 2019, we did not hire a new Youth director until mid 2020. 2) We budget an administrative person for January 2020 but did not hire one until April. 3) We had a part time staff person in the budget that we did not hire. You will see that the 2021 budget is closer to the 2020 budget because we will have the admin person all year and the Youth director all year. And we anticipate hiring that part time staff person in 2021. You will note that personnel expenses comprise about 50% of the total budget.
- Net, if we compare the 2021 budget to the 2020 budget, we are spending less by about \$50,000. However, compared to the projected yearend spending we are up by about \$50,000. (see row 77)

If you have any questions you may email Ken Litteken at Lstoneycreek@aol.com and he will get back to you with an answer.