

OSA 2021 Financial Report and 2022 Proposed Budget

January 30, 2022

NOTES ABOUT TREASURER'S REPORT FOR 2021

- Ended 2020 with a \$10,000 deficit
- In January 2021 approved a budget with a \$17,000 deficit
- Revised budget in May to provide \$90,000 for emergency repairs, restoration of historic giving to Missions, and increase salaries for staff
- Revised budget again in November to enable capital project for \$5,500 in new roof repairs

2021 Financial Summary (Actuals)

Operational Giving	\$ 397,010
Operational Expenses	\$ 349,319
Net Operations	\$ 47,691
Other / Capital Giving	\$ 106,139
Other /Capital Expenses	\$ 111,955
Net Other / Capital	\$ - (5,816)
Overall Giving	\$ 503,149
Overall Expenses	\$ 461,274
Overall Net	\$ 41,875

Income History Highlights

	Actual			
	2018	2019	2020	2021
OSA Giving	\$ 99,039	\$ 120,904	\$ 152,852	\$154,683
Cornerstone	\$ 246,624	\$ 252,916	\$ 200,877	\$235,450
Total Operational	\$ 362,884	\$ 392,624	\$ 369,244	\$397,010
Total Other/Capital	\$ 19,404	\$ 71,005	\$ 13,452	\$106,139

Expense History Highlights

		Actual			
		2018	2019	2020	2021
Operating					
	Mission Support	\$ 23,045	\$ 24,094	\$ 24,210	\$ 23,260
	Personnel	\$ 189,867	\$ 201,447	\$ 203,900	\$ 211,867
	Utilities	\$ 47,225	\$ 38,814	\$ 24,577	\$ 27,350
	Insurance	\$ 24,967	\$ 27,493	\$ 24,577	\$ 21,454
	Loans	\$ 30,132	\$ 30,132	\$ 21,135	\$ 30,132
	Net Operating Expenses	\$ 364,809	\$ 369,324	\$ 337,030	\$ 349,319
Capital					
	Net Extrordinary Repairs/Capital	\$ 39,314	\$ 74,742	\$ 55,853	\$ 111,955

CASH ASSETS and LIABILITIES

	CASH ASSETS		LIABILITIES
1/1/18	\$ 116,899		\$ 117,144
1/1/19	\$ 90,577		\$ 92,533
1/1/20	\$ 114,031		\$ 66,683
1/1/21	\$ 149,107	Includes PPP1	\$ 101,418
1/1/22	\$ 146,200	Includes PPP2, grant, and capital gift	\$ 21,140

2021 Challenges and Strategies

Challenges

- Numerous emergency repairs emerged for which there was no budget: sidewalk, roof, parsonage bathroom, electric upgrades, north door etc.
- Mandates and recommendations prevented OSA from receiving revenue from some types of space use (Concerts, etc.)
- OSA was unable to hold in-person fund raisers to offset costs

Blessings

- Congregational giving was strong
- Cornerstone giving was strong
- New, unbudgeted space users provided contributions
- Applied for PPP2 loan; received forgiveness for both PPP loans
- Received \$18,000 grant for capital and a gift covering the cost of the electric upgrade for the pottery studio/kitchen
- Expenses were down
- Paid full mission support and salary increases for staff
- Completed \$112,000 improvements to the building/property

2022 Challenges and Strategies

Challenges

- Some members are moving, causing some erosion to giving
- Emergency repairs will continue and there is insufficient capital budget to cover these repairs
- Foundation needs work
- Roof needs major repair or replacement

Strategies

- Apply for Employer retention credit (ERC)
- Mortgage will be paid off by June
- Hold spring fund raiser
- Consider capital campaign
- Apply for a new loan
- If financial status is strong in first part of year, hold Congregational meeting to ask for changes in budget

Income: History and Proposed Budget

	Actual				Budget
	2018	2019	2020	2021	2022
OSA Giving	\$ 99,039	\$ 120,904	\$ 152,852	\$ 154,683	\$ 145,000
Cornerstone	\$ 246,624	\$ 252,916	\$ 200,877	\$ 235,450	\$ 230,720
Total Operational	\$ 362,884	\$ 392,624	\$ 369,244	\$ 397,010	\$ 394,350
Total Other/Capital	\$ 19,404	\$ 71,005	\$ 13,452	\$ 106,139	\$ 10,900

Expense: History and Proposed Budget

		Actual				Budget
		2018	2019	2020	2021	2022
Operating						
	Mission Support	\$ 23,045	\$ 24,094	\$ 24,210	\$ 23,260	\$ 23,860
	Personnel	\$ 189,867	\$ 201,447	\$ 203,900	\$ 211,867	\$ 218,730
	Utilities	\$ 47,225	\$ 38,814	\$ 24,577	\$ 27,350	\$ 39,400
	Insurance	\$ 24,967	\$ 27,493	\$ 24,577	\$ 21,455	\$ 23,342
	Loans	\$ 30,132	\$ 30,132	\$ 21,135	\$ 30,132	\$ 22,986
	Net Operating	\$ 364,809	\$ 369,324	\$ 337,030	\$ 349,319	\$ 387,192
Capital						
	Net Extrodinary Repairs/Capital	\$ 39,314	\$ 74,742	\$ 55,853	\$ 111,955	\$ 18,057

2021 Budget Summary

	Actual	Proposed Budget
	2021	2022
Operating Income	\$ 397,010	\$ 394,350
Operational Expenses	\$ 349,319	\$ 387,193
Net Operating	\$ 47,691	\$ 7,157
Other / Capital Giving	\$ 106,139	\$ 10,900
Other / Capital Expenses	\$ 111,955	\$ 18,057
Net Other / Capital	\$ - (5,816)	\$ - (7,157)
Overall Giving	\$ 503,149	\$ 405,250
Overall Expenses	\$ 461,274	\$ 405,250
Overall Net	\$ 41,875	0



Action Items

- 2021 Financial Report
- Proposed 2022 Budget

OSA 2021 Financial Report and 2022 Proposed Budget

January 30, 2022

Our Saviour's Atonement Lutheran Church & Cornerstone Center Annual Treasure's Report and Proposed 2022 Budget

Cash Accounting

	January through December 2021			Annual 2021	Proposed Annual 2022
	Actual	Budget	over Budget	Budget	Budget
Income					
41000 PLEDGES/OFFERINGS					145,000.00
41100 Pledges Income	143,401.89	116,000.00	27,401.89	116,000.00	
41200 Unpledged Support	10,839.00	29,000.00	-18,161.00	29,000.00	
41900 Plate Offering	442.50		442.50		
Total 41000 PLEDGES/OFFERINGS	\$ 154,683.39	\$ 145,000.00	\$ 9,683.39	\$ 145,000.00	\$ 145,000.00
42000 SPECIAL DONATION					
42100 Flowers		400.00	-400.00	400.00	400.00
42200 Bequests without restrictions			0.00		
42300 Honor & Memorial gifts	153.94				
42400 Special collections	301.49	1,800.00		1,800.00	900.00
42500 Pastor's Discretionary Fund	301.87	600.00	-298.13	600.00	600.00
Total 42000 SPECIAL DONATION	\$ 757.30	\$ 2,800.00	-\$ 2,042.70	\$ 2,800.00	\$ 1,900.00
43000 FUNDRAISERS & GRANTS					
43010 Christmas Tree Sale	3,413.79	2,100.00	1,313.79	2,100.00	2,400.00
Total 43010 Christmas Tree Sale	\$ 3,413.79	\$ 2,100.00	\$ 1,313.79	\$ 2,100.00	\$ 2,400.00
Total 43000 FUNDRAISERS & GRANTS	\$ 3,413.79	\$ 2,100.00	\$ 1,313.79	\$ 2,100.00	\$ 2,400.00
44000 OTHER OPERATING INCOME					
44100 Program Fees & Suggested Donations	280.00	600.00	-320.00	600.00	500.00
44200 Weddings & Funerals	1,050.00				
44300 Sales of Product	136.79				
44500 Misc. Operating Income (incl Old Copier Contract Refund)	1,189.39		1,189.39		13,830.00
Total 44000 OTHER OPERATING INCOME	\$ 2,656.18	\$ 600.00	\$ 2,056.18	\$ 600.00	\$ 14,330.00
46000 CORNERSTONE CENTER					
46010 Tenants	122,185.31	115,000.00	7,185.31	115,000.00	122,650.00
46020 Community Groups	33,094.39	24,000.00	9,094.39	24,000.00	34,570.00
46030 Other Space Use	31,883.75	3,000.00	28,883.75	3,000.00	23,000.00
46040 Parking	48,286.35	48,000.00	286.35	48,000.00	50,500.00
Total 46000 CORNERSTONE CENTER	\$ 235,449.80	\$ 190,000.00	\$ 45,449.80	\$ 190,000.00	\$ 230,720.00
Unapplied Cash Payment Income	\$ 50.00			\$ 0.00	\$ 0.00
Total Income	\$ 397,010.46	\$ 340,500.00	\$ 56,510.46	\$ 340,500.00	\$ 394,350.00
Gross Profit	\$ 397,010.46	\$ 340,500.00	\$ 56,510.46	\$ 340,500.00	\$ 394,350.00
Expenses					
60000 MISSION & CHARITY					
60100 Synod Support	18,000.00	18,000.00	0.00	18,000.00	18,000.00
60300 Churchwide Support	5,260.00	5,260.00	0.00	5,260.00	5,260.00
60400 Local Community Support					
60700 Pastor's Discretionary Fund		600.00	-600.00	600.00	600.00
Total 60000 MISSION & CHARITY	\$ 23,260.00	\$ 23,860.00	-\$ 600.00	\$ 23,860.00	\$ 23,860.00
61000 WORSHIP					
61100 Worship Supplies	324.46	750.00	-425.54	750.00	750.00
61200 Design & Aesthetics		400.00	-400.00	400.00	400.00

	January through December 2021			Annual 2021	Proposed Annual 2022
	Actual	Budget	over Budget	Budget	Budget
61300 Subscriptions, Planning Materials (Worship)	574.76	900.00	-325.24	900.00	900.00
61500 Supply Pastors & Guest Musicians	825.00	2,000.00	-1,175.00	2,000.00	2,000.00
61900 Misc. Expenses (Worship)	279.09	1,000.00	-720.91	1,000.00	1,000.00
Total 61000 WORSHIP	\$ 2,003.31	\$ 5,050.00	-\$ 3,046.69	\$ 5,050.00	\$ 5,050.00
62000 PROGRAMS					
43015 Christmas Tree Sale Expenses	1,649.71	1,400.00	249.71	1,400.00	1,700.00
62100 Program Supplies	893.03	500.00	393.03	500.00	500.00
62200 Books & Periodicals	224.10	400.00	-175.90	400.00	400.00
62300 Hospitality & Meals	1,245.69	1,750.00	-504.31	1,750.00	1,750.00
62500 Education					1,000.00
62900 Misc. Expenses (Programs)	2,184.36	350.00	1,834.36	350.00	350.00
Total 62000 PROGRAMS	\$ 6,196.89	\$ 4,400.00	\$ 1,796.89	\$ 4,400.00	\$ 5,700.00
63000 GENERAL OPERATING					
63110 Office Supplies	825.59	600.00	225.59	600.00	600.00
63115 Postage & Delivery	181.80	200.00	-18.20	200.00	200.00
63120 Telephone & Telecommunications	4,123.14	4,100.00	23.14	4,100.00	4,100.00
63125 Printing & Copying	140.78	240.00	-99.22	240.00	240.00
63130 Website & Technology Costs	3,153.25	5,000.00	-1,846.75	5,000.00	5,000.00
63135 Dues & Subscriptions	100.00	100.00	0.00	100.00	100.00
63200 Leased Equipment	5,179.92	5,220.00	-40.08	5,220.00	12,384.00
63500 Meetings, Conferences, & Conventions	75.00	1,500.00	-1,425.00	1,500.00	1,500.00
63700 Professional Services	300.00	4,000.00	-3,700.00	4,000.00	4,000.00
63900 Misc. Expenses (Operating)	379.63	480.00	-100.37	480.00	480.00
Total 63000 GENERAL OPERATING	\$ 14,459.11	\$ 21,440.00	-\$ 6,980.89	\$ 21,440.00	\$ 28,604.00
64000 PERSONNEL					
64100 Pastoral Support					
64110 Salary (Pastor)	58,981.68	58,981.59	0.09	58,981.59	62,454.00
64120 Benefits (Pastoral)	46,170.88	44,027.07		44,027.07	48,928.00
64140 Continuing Ed (Pastoral)	2,000.00		2,000.00		1,000.00
Total 64100 Pastoral Support	\$ 107,152.56	\$ 103,008.66	\$ 4,143.90	\$ 103,008.66	\$ 111,382.00
64500 Support Staff					
64510 Salaries (Support Staff)	77,007.52	75,927.56	1,079.96	75,927.56	72,244.20
64520 Payroll Taxes (Support Staff)	7,041.37	7,815.16	-773.79	7,815.16	7,225.80
64530 Benefits (Support Staff)			0.00		
Total 64500 Support Staff	\$ 84,048.89	\$ 83,742.72	\$ 306.17	\$ 83,742.72	\$ 79,470.00
64800 Freelancers	17,360.00	14,325.00	3,035.00	14,325.00	24,732.50
64900 Other Payroll Expenses	173.00				
64910 Insurance (Worker's Comp, Disability)	3,132.68	3,300.00	-167.32	3,300.00	3,146.00
Total 64900 Other Payroll Expenses	\$ 3,305.68	\$ 3,300.00	\$ 5.68	\$ 3,300.00	\$ 3,146.00
Total 64000 PERSONNEL	\$ 211,867.13	\$ 204,376.38	\$ 7,490.75	\$ 204,376.38	\$ 218,730.50
65000 FACILITIES					
65100 Custodial Supplies	2,306.80	5,000.00	-2,693.20	5,000.00	5,000.00
65120 Building Maintenance & Repairs	2,839.95	2,400.00	439.95	2,400.00	2,800.00
65130 Grounds Maintenance	984.86	480.00	504.86	480.00	1,000.00
65140 Contractors - Repairs & Maint.	2,603.36	6,000.00	-3,396.64	6,000.00	6,000.00
65160 Pastor Housing Expense	279.17	750.00	-470.83	750.00	750.00
65190 Misc. Expenses (Facilities)	300.00	720.00	-420.00	720.00	720.00

	January through December 2021			Annual 2021	Proposed Annual 2022
	Actual	Budget	over Budget	Budget	Budget
Total 65000 FACILITIES	\$ 9,314.14	\$ 15,350.00	-\$ 6,035.86	\$ 15,350.00	\$ 16,270.00
66000 UTILITIES					
66100 Heating Oil	17,147.64	15,000.00	2,147.64	15,000.00	25,000.00
66200 Gas & Electric	10,202.80	15,780.00	-5,577.20	15,780.00	14,400.00
Total 66000 UTILITIES	\$ 27,350.44	\$ 30,780.00	-\$ 3,429.56	\$ 30,780.00	\$ 39,400.00
67000 BUSINESS EXPENSES					
67100 Bank Fees	591.08		591.08		600.00
67200 Financial Fees	2,253.65	2,000.00	253.65	2,000.00	2,200.00
67300 Business Registration Fees	129.56	150.00	-20.44	150.00	150.00
67400 Insurance (Liability, D&O)	21,454.60	24,099.00	-2,644.40	24,099.00	23,342.00
67600 Fines & Penalties	307.06	240.00	67.06	240.00	300.00
Total 67000 BUSINESS EXPENSES	\$ 24,735.95	\$ 26,489.00	-\$ 1,753.05	\$ 26,489.00	\$ 26,592.00
68000 MORTGAGE & LOANS					
68100 Principal payments	28,305.01	27,207.60	1,097.41	27,207.60	22,586.00
68200 Interest Paid	1,826.99	2,924.40	-1,097.41	2,924.40	400.00
Total 68000 MORTGAGE & LOANS	\$ 30,132.00	\$ 30,132.00	\$ 0.00	\$ 30,132.00	\$ 22,986.00
Unapplied Cash Bill Payment Expense	\$ 0.00			\$ 0.00	\$ 0.00
Total Expenses	\$ 349,318.97	\$ 361,877.38	-\$ 12,558.41	\$ 361,877.38	\$ 387,192.50
Net Operating Income	\$ 47,691.49	-\$ 21,377.38	\$ 69,068.87	-\$ 21,377.38	\$ 7,157.50
Other Income					
47000 INVESTMENT INCOME					
47010 Interest Income	476.55	600.00	-123.45	600.00	400.00
Total 47000 INVESTMENT INCOME	\$ 476.55	\$ 600.00	-\$ 123.45	\$ 600.00	\$ 400.00
50000 CAPITAL & ENDOWMENT					
50100 Capital Fund	11,492.60	4,800.00	6,692.60	4,800.00	3,000.00
50200 Capital Campaign					
50213 Fall Ball	10.00	5,000.00		5,000.00	7,500.00
Total 50200 Capital Campaign	\$ 10.00	\$ 5,000.00	-\$ 4,990.00	\$ 5,000.00	\$ 7,500.00
Total 50000 CAPITAL & ENDOWMENT	\$ 11,502.60	\$ 9,800.00	\$ 1,702.60	\$ 9,800.00	\$ 10,500.00
57000 OTHER MISC. REVENUE (NON-OPERATING)					
57100 PPP Loan Forgiveness - Nontaxable	74,267.57	74,267.57	0.00	74,267.57	0.00
57900 Misc. Income	19,891.95	18,326.00	1,565.95	18,326.00	0.00
Total 57000 OTHER MISC. REVENUE (NON-OPERATING)	\$ 94,159.52	\$ 92,593.57	\$ 1,565.95	\$ 92,593.57	\$ 0.00
Total Other Income	\$ 106,138.67	\$ 102,993.57	\$ 3,145.10	\$ 102,993.57	\$ 10,900.00
Other Expenses					
72000 EXTRAORDINARY REPAIRS	104,874.55	55,500.00	49,374.55	55,500.00	9,000.00
73000 CAPITAL EXPENDITURES	7,080.00	52,000.00	-44,920.00	52,000.00	8,557.50
74000 CAPITAL CAMPAIGN EXPENDITURES					
74100 Fall Ball		500.00	0.00	500.00	500.00
Total 74000 Capital Campaigns		500.00	0.00	500.00	500.00
Total Other Expenses	\$ 111,954.55	\$ 108,000.00	\$ 3,954.55	\$ 108,000.00	\$ 18,057.50
Net Other Income	-\$ 5,815.88	-\$ 5,006.43	-\$ 809.45	-\$ 5,006.43	-\$ 7,157.50
Net Income	\$ 41,875.61	-\$ 26,383.81	\$ 68,259.42	-\$ 26,383.81	\$ 0.00

FINANCE COMMITTEE

DAVID ZIMMERMAN, CO-CHAIR

MARK SULLIVAN

KAROL WOLLENBURG, CO-CHAIR

SUSANNAH SKIVER BARTON

PASTOR JOHN FLACK

WALTER STAFFORD

BRENT NESS

ANGEL FLESHER

The Finance Committee (FC) had another very busy year. Listed below are the goals established when we began the year and our progress with those goals:

- Clarify Treasurer and Finance Committee roles and membership - partial completion
- Build Finance Committee with shared responsibilities - partial completion
- Document functions and responsibilities – in process
- Guide OSA through the PPP loan forgiveness and second draw process - completed
- Explore energy efficiency grants – in process
- Develop process for projects and use of QuickBooks to document major project paperwork and expenses – in process
- Transition OSA credit card to new individual – not completed
- Work with Building Committee to develop financing for new roof – not completed
- Investigate changing to smaller bank or credit union – completed (ELCA credit union does not have banking functions needed)

Additional issues and opportunities arose throughout the year, preventing work on some of the above goals, but providing new and important opportunities and challenges. In 2021, we filed for forgiveness of our first PPP loan, applied for a second PPP loan, and then filed for forgiveness of the second loan. This was a very tedious process but enabled OSA to cover some payroll costs during a time when funding would have been inadequate. The FC also explored a program administered through the IRS, and with the help of an accounting firm, filed for an Employee Retention Credit. If approved, this will help with the tight budget we face in 2022. FC members are proud that OSA has been able to maintain all our employees at their normal hours and not reduce their salary in 2021.

FC members worked this year to transition responsibilities that have been taken on by the Finance Committee to new or inactive Committees. Members agreed to serve on the new Cornerstone Committee until the transition is stable. The Stewardship Committee was re-established this year through FC members efforts. Our new Church Management System (CMS), Tithe.ly, has been built with strong support from the FC. Responsibility for the financial components of this will now sit with the Stewardship Committee. Members of the FC ensured that an Audit Committee was established and worked with them to complete financial audits for 2018, 2019, and 2020.

Other projects that the FC have worked on include:

- Exploring sources of legal and financial advice
- Working with a financial consultant to review financial processes and make changes to financial systems
- Implementing an electronic signature software

- Identifying the need for and acquisition of technology / cyber insurance
- Negotiating with MIF on how to repay skipped principal payments from 2020
- Establishing an account with the ELCA credit union
- Working with our Building Administrator to reduce Accounts Receivables
- Working with our Building Administrator to get accurate and timely reading of our gas and electric use
- Finding a company to buy out the old photocopier machine lease and provide a new machine and service
- Preparing and sending giving reports through the new CMS system
- Revising the budget and preparing for special Congregational Meetings
- Revising QuickBooks to track funds
- Recruiting a new co-treasurer

The Committee has not yet discussed 2022 goals but will likely continue work on unfinished goals from 2021. The Committee will also be discussing whether an endowment fund should be established at OSA.

We are delighted that Walter Stafford has agreed to serve as co-Treasurer if confirmed by the Congregation. We are grateful to David Zimmerman for all the work he has done during the past two challenging years. He has been a major contributor to all the FC has accomplished. His skills, perseverance, and dedication to OSA have been an inspiration to all of us on the Committee. David will be transitioning to Co-chair of the Stewardship Committee.

TREASURER'S REPORT

DAVID ZIMMERMAN AND KAROL WOLLENBURG CO-CHAIRSMAN (CHAIR)

Some of us may remember that the 2020 year-end financial report for OSA ended with a \$10,000 deficit. Some of us may also remember that we approved a budget with a \$17,000 deficit at our Annual Congregational meeting last January. We are grateful that despite the gloomy budget we started with and additional costly emergency repairs that needed immediate attention, 2021 turned out to be a favorable year financially for OSA. Strong congregational giving, strong contributions from Cornerstone partners, a generous grant for capital repairs, a donation that completely covered electrical upgrades for the pottery studio, and access to Paycheck Protection Program (PPP) funding all contributed to a sound financial year for OSA. We are grateful to the Congregation for supporting all the changes that needed to be made to the budget throughout the year to ensure that emergency repairs could be addressed.

The attached Treasurer's Report for the fiscal year 2021 is attached and shows the favorable ending to the year.

Without PPP funding and other unexpected funding, 2022 could be a more challenging year financially. We look forward to finding new and expanded ways to fund work that will enable us to share God's love in our community.

David will be transitioning out of his co-Treasurer role in 2022. Karol will remain as co-Treasurer for another year to work with the newly elected co-Treasurer.